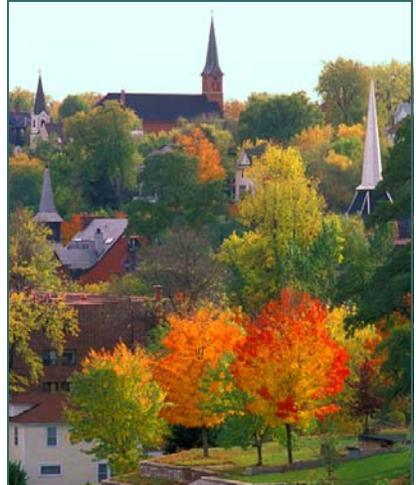


UNITED STATES ATTORNEY'S OFFICE DISTRICT OF MINNESOTA



**ANNUAL REPORT
2008**



***From the Desk of
Frank J. Magill
United States Attorney***



Dear Law Enforcement Colleagues:

In the 1935 U.S. Supreme Court case of *Berger v. United States*, Justice Sutherland spoke about the duties of the U.S. Attorney and his office. He said,

The United States Attorney is the representative not of an ordinary party to a controversy, but of a sovereignty whose obligation to govern impartially is as compelling as its obligation to govern at all; and whose interest, therefore, in a criminal prosecution is not that it shall win a case, but that justice be done.

Throughout this past year, the employees in the U.S. Attorney's Office in the District of Minnesota have worked hard to ensure that justice be done. In both our criminal prosecutions and our civil litigation, these fine men and women have fought vigorously but fairly on behalf of the United States.

The success they achieved during 2008, which is detailed in this report, was due in large part to the assistance provided by many of you, from local police and county sheriffs to county attorneys and federal investigators. We are honored to have worked with such dedicated individuals.

I am privileged to have been given the opportunity to serve as the United States Attorney. The Assistant U.S. Attorneys as well as the paralegals, legal assistants, and litigative and administrative specialists in this office are skilled professionals who have made my job very enjoyable and rewarding. First Assistant U.S. Attorney Nicole Engisch, in particular, has provided wise counsel, steady assistance, and good friendship to me and many others in the Office, and on behalf of everyone, I thank her.

Finally, we look forward to working with all of you during 2009.

Sincerely,

**Frank J. Magill
United States Attorney**

Table of Contents

<u>Subject</u>	<u>Page</u>
Fiscal Year 2008 Criminal Case Statistics	4
Fiscal Year 2008 Civil Case Statistics	5
Criminal Division	6
Economic Crimes Section Case Highlights	6
Tax Evasion	6
Investment and Corporate Fraud	8
Health Care Fraud	10
Mortgage Fraud	12
Public Corruption	13
Environment Crime	14
Major Crimes Section Case Highlights	15
Security	15
Project Safe Childhood	16
Immigration Violations	18
Human Trafficking	19
Project Safe Neighborhoods	20
Bank Robbery	21
Indian Country	22
Identity Theft	23
Other Major Crimes	23
Narcotics Section Case Highlights	24
Methamphetamine	24
Marijuana	26
Cocaine	27
Other Illegal Drugs	28
Other Major Drug Trafficking Operations	29
Criminal Gangs	30
Civil Division	31
Civil Rights Enforcement Case Highlights	31
Americans with Disabilities Act	31
Fair Housing Act	33
Affirmative Civil Enforcement Case Highlights	34
Health Care Fraud	34
Social Security Fraud	35
Environmental Law Violations	35
Lead Paint Enforcement Project	36
Defensive Litigation Case Highlights	37
Immigration Suits	37
Environmental Suits	37
Financial Litigation Unit	38
Asset Forfeiture	38
External Relations Division	39
Administrative Division	41
Support Staff	42

Fiscal Year 2008 Criminal Case Statistics

Criminal Caseload Breakdown:

Criminal Cases Filed During Fiscal Year	344 (Representing 653 Defendants)
Criminal Cases Pending at End of Fiscal Year	484 (Representing 883 Defendants)
Criminal Cases Resolved During Fiscal Year	376 (Representing 646 Defendants)

Caseload Breakdown by Section:

White Collar Crime Section

White Collar Cases Filed During Fiscal Year	74
White Collar Cases Pending at End of Fiscal Year	97
White Collar Cases Resolved During Fiscal Year	50

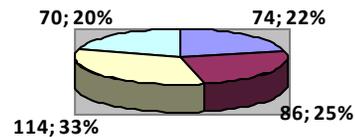
Violent/Major Crime Section

Violent Crime Cases Filed During Fiscal Year	86
Violent Crime Cases Pending at End of Fiscal year	84
Violent Crime Cases Resolved During Fiscal Year	114

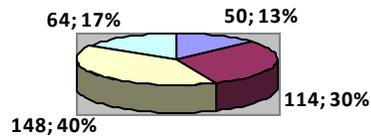
Narcotics Section

Drug Cases Filed During Fiscal Year	114
Drug Cases Pending at End of Fiscal Year	220
Drug Cases Resolved During Fiscal Year	148

Number and Percentage of Cases Opened by Case Type/Section



Number and Percentage of Cases Resolved by Case Type/Section



Conviction Snapshot:

Criminal Defendants Who Pled Guilty During Fiscal Year	593 (94.9%)
Criminal Defendants Who Were Found Guilty Following Trial During Fiscal Year	32 (5.1%)

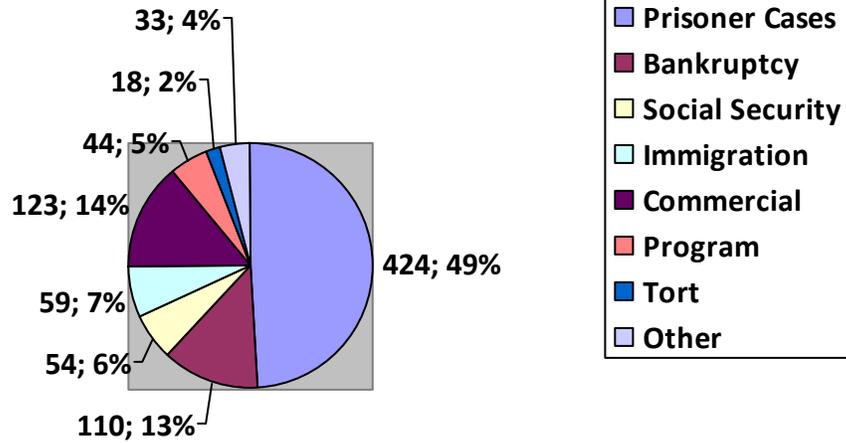
Sentencing Snapshot:

Number of Defendants Sentenced to Prison During Fiscal Year	544 (87%)
Percentage Sentenced to 1 to 12 months of incarceration	5.5%
Percentage Sentenced to 13 to 24 months of incarceration	13.8%
Percentage Sentenced to 25 to 36 months of incarceration	11.4%
Percentage Sentenced to 37 to 60 months of incarceration	29.0%
Percentage Sentenced to 61 or more months of incarceration	39.7%

Fiscal Year 2008 Civil Case Statistics

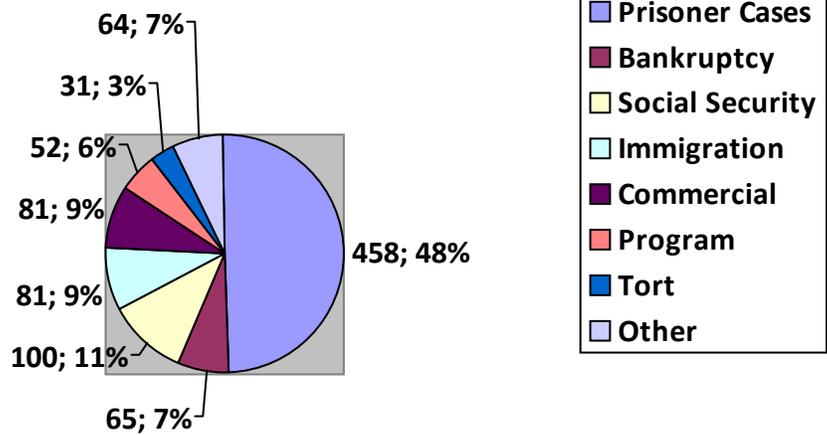
Number and Percentage of Civil Cases Opened by Case Type

865 Cases Opened in Fiscal Year



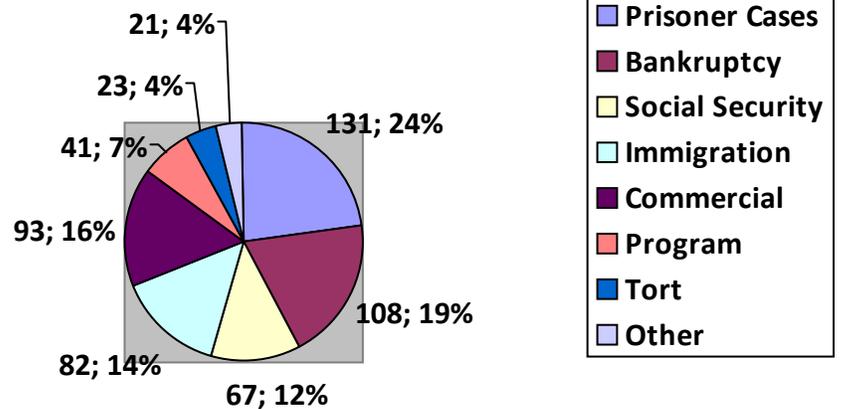
Number and Percentage of Civil Cases Pending by Case Type

932 Cases Pending at End of Fiscal Year



Number and Percentage of Civil Cases Resolved by Case Type

566 Cases Resolved in Fiscal Year



Criminal Division

The Criminal Division, led by Assistant United States Attorney Jeffrey S. Paulsen, serves as the prosecutorial arm of the U.S. Department of Justice here in Minnesota.

The 40 lawyers in the Criminal Division prosecute violations of federal criminal law. To accomplish that task, the lawyers, along with paralegals, legal assistants, and others, work closely with grand juries as well as local, state, and federal investigative agencies.

The Criminal Division is divided into three sections:

The Economic Crimes Section, led by Assistant United States Attorney Joseph T. Dixon, focuses on major mail, wire, and bank fraud as well as tax evasion, health care and mortgage fraud, investment scams, environmental crime, and public and private corruption cases.

The Major Crimes Section, led by Assistant United States Attorney Michelle E. Jones, concentrates on terrorism cases, gun crime, child pornography, human trafficking, immigration violations, identity theft, bank robbery, federal program fraud, and federal Indian Country crime.

The Narcotics Section, led by Assistant United States Attorney Thomas M. Hollenhorst, handles OCADETF (“Organized Crime Drug Enforcement Task Force”) cases as well as other drug cases involving major criminal gangs and organizations or repeat federal drug law offenders.



In addition to the lawyers named above, Assistant United States Attorneys Michael L. Cheever and Erica H. MacDonald serve as Senior Litigation Counsel. Other Assistant United States Attorneys in the Criminal Division include Ann M. Anaya, LeeAnn K. Bell, Nancy E. Brasel, Jeffrey M. Bryan, Michael A. Dees,

John F. Docherty, Andrew S. Dunne, W. Anders Folk, David M. Genrich, Carol M. Kayser, Lisa D. Kirkpatrick, James E. Lackner, Leshia M. Lee-Dixon, Robert M. Lewis, David J. MacLaughlin, John R. Marti, Erika R. Mozangue, Richard A. Newberry, William J. Otteson, Tracy L. Perzel, Nathan

P. Petterson, Timothy C. Rank, Steven L. Schleicher, David P. Steinkamp, Kimberly A. Svendsen, Tricia A. Tingle, Clifford B. Wardlaw, Christian S. Wilton, Andrew R. Winter, and Christopher R. Wolfe.

Economic Crimes Section Case Highlights

Tax Evasion

Fugitive Apprehended, Tried, and Convicted

In early fall 2007, Robert Beale, founder and former chief executive of Control Corp., of Maple Grove, was apprehended in Orlando, Florida. Authorities had been searching for the 65-year-old since August of 2006, when he failed to appear for his federal tax evasion trial in Minneapolis.

An eight-day trial followed his 2007 arrest. During the trial, federal prosecutors produced evidence that Beale, with the assistance of Lee Stagni, the former president

of Control, had tried to conceal Beale’s salary from the IRS and the State Department of Revenue. Evidence indicated that in July of 2000, Beale directed the com-

pany to start paying him as a consultant rather than an employee. He then began submitting invoices to Control from Chayill Corp., a shell corporation, in amounts equal to his pay. By September of 2004, he had received more than \$5.1 million, none of which had been reported to state or federal tax authorities. During



Criminal Division

Economic Crimes Section Case Highlights

Tax Evasion

Fugitive Apprehended, Tried, and Convicted

Continued from Previous Page

that time, he also failed to file individual income tax returns.

Beale was convicted of felony conspiracy to defraud the U.S., failure to appear in federal court, and five counts of tax evasion for concealing and failing to pay income tax on more than \$5 million of income. At sentencing, he was ordered to serve 134 months in prison. He also was directed to pay all back taxes owed.

After sentencing, U.S. Attorney Frank J. Magill said, "Mr. Beale enjoyed

the benefits of citizenship but then sought to evade a fundamental responsibility as a citizen of the United States. He engaged in a long-term concerted effort to conceal millions of dollars of his income and attempted to excuse his conduct by making frivolous arguments about the legality of the tax system. These arguments have been repeatedly rejected by the courts throughout the United States. Mr. Beale, like many others before him, has now learned that these for-a-fee tax evasion schemes are baseless and lead to significant criminal consequences."

Beale's co-defendant, Lee Stagni, was convicted in

"Mr. Beale enjoyed the benefits of citizenship but then sought to evade a fundamental responsibility as a citizen of the United States."

*U.S. Attorney
Frank J. Magill*

September of 2006 for his role in the crime. He was ordered to serve 43 months in prison.

This case was investigated by the IRS, Criminal Investigation Division, with assistance from the U.S. Marshals Service.

In a Related Case...

In the fall of 2008, three individuals were convicted of conspiring to prevent a federal judge from performing her official duties in the Beale tax evasion case. Each of those people, including Robert Beale; Frederick Bond, age 63, of Champlain; and John Pelton, age 67, of Stillwater, was found guilty of one count of conspiracy to impede an officer and one count of obstruction of justice.

In rendering its guilty verdict, the jury determined the three men conspired to prevent U.S. District Court Judge Ann Montgomery from holding Beale's April 2008 trial. The defendants carried out the conspiracy through use of their self-described "common law court" and

purported "warrants" seeking the arrest of Judge Montgomery. They also planned to disrupt actual federal court proceedings. Moreover, while in jail awaiting trial, Beale telephoned the other men involved and repeatedly voiced threats against Judge Montgomery. On one occasion, he said, "God wants me to destroy the judge."

Norman Pool, of Blaine, another member of the conspiracy, pled guilty earlier. All four await sentencing. Conspiracy to impede carries a potential maximum penalty of six years in prison, while obstruction of justice carries a ten-year maximum.

This case was investigated by the FBI, the U.S. Marshals Service, the Sherburne County Sheriff's Office, and the Hennepin County Sheriff's Office.

Economic Crime Statistics for Fiscal Year 2007

- At the end of the fiscal year, the FBI was investigating 529 corporate fraud cases nationwide.
- In Fiscal Year 2007, securities and commodities fraud cases nationwide resulted in a total of \$24 million in recoveries and \$202.7 million in fines.
- During Fiscal Year 2007, federal prosecutors nationwide filed a total of 141 money laundering indictments and obtained 112 convictions with \$66.9 million in restitution orders and \$11.4 million in fines.

Investment and Corporate Fraud

Federal Court Action Under Way in the Petters' Fraud Case



On October 8, 2008, three people connected to Petters Co. pled guilty in federal court to charges stemming from a scheme to defraud others out of billions of dollars. Deanna Coleman, age 42, from Plymouth, pled guilty to conspiracy to commit mail fraud; Robert White, age 67, of Excelsior, pled guilty to mail fraud and money laundering; and Michael Catain, age 52, of Shorewood, pled guilty to conspiracy to commit money laundering.

Coleman, an officer with Petters Co., admitted she and White fabricated and

mailed to potential lenders documents that made it appear Petters Co. was buying goods from others and selling them to big-box retailers. Those transactions, however, were fictitious. White admitted he had laundered money when he deposited into his own account a \$500,000 check he knew was profit from the scam. Catain, who operated Enchanted Family Buying Co., admitted the company was a shell corporation, used to launder fraud proceeds.

Coleman faces a potential maximum penalty of five years in prison; White

faces up to 20 years for mail fraud and ten years for money laundering; and Catain faces a maximum sentence of 20 years.

On October 23, another defendant in this case pled guilty to conspiracy to commit money laundering. Las Vegas resident Larry Reynolds, age 67, admitted his company, Nationwide International Resources, received funds from investors on behalf of Petters Co. Although investors were told the money was to buy electronics, most funds were redirected to Petters Co. after Reynolds took his "commission." He

now faces up to 20 years in prison. In December of 2008, James Wehmhoff, age 67, of Plymouth, pled guilty to conspiracy to commit tax evasion and aiding and assisting tax fraud. Wehmhoff admitted his criminal behavior occurred while employed by Petters Group Worldwide. He faces up to five years in prison for conspiracy and three years for tax fraud. A federal judge will decide all sentences.

This case was investigated by the FBI, the U.S. Postal Inspection Service, and the IRS, Criminal Investigation Division.

Also in this Case...

On December 1, 2008, a federal grand jury returned a 20-count fraud indictment against Wayzata businessman Thomas Petters, Petters Co., and Petters Group Worldwide. The indictment alleged that between 1995 and September of 2008, Petters and the companies, aided and abetted by others, knowingly and unlawfully devised and participated in a scheme to defraud people out of billions of dollars in cash and property.

Specifically, the indictment charged Thomas Petters, age 51, with seven counts of mail fraud, three counts of wire fraud, eight counts of money laundering, and one count each of money laundering conspiracy and conspiracy to commit mail fraud and wire fraud. The indictment stated that Petters and the companies, along with their agents, made false statements and representations as well as

material omissions in an effort to induce investors to provide funds to buy merchandise for resale at a profit. According to the indictment, however, no such purchases were made. Instead, the defendants and their co-conspirators allegedly diverted the funds for other purposes, including making "lulling" payments, paying off those who participated in the scheme, funding businesses owned or controlled by the defendants, and financing the extravagant lifestyle of Thomas Petters.

If convicted, Thomas Petters faces a potential maximum penalty of 20 years in federal prison for each mail fraud and wire fraud charge, 20 years for conspiracy to commit money laundering, ten years on each money laundering count, and five years for conspiracy to commit mail fraud and wire fraud. Any sentence will be determined by a U.S. District Court judge.



Investment and Corporate Fraud

Forest Lake Minister Guilty of Defrauding Over 500 People

On August 1, 2008, after an 18-day trial, a federal jury in Minneapolis convicted a minister from Forest Lake of investment fraud. Neulan Midkiff, age 66, was found guilty of eight counts of mail fraud, eight counts of wire fraud, four counts of failure to file tax returns, and conspiracy to commit mail fraud.

Ten weeks later, Midkiff was back in court for sentencing. The judge ordered him to serve 180 months in prison for his crime, which involved defrauding 519 people nationwide out of \$30 million. Midkiff also was directed to pay \$18.9 million in restitution to his victims.

The evidence at trial showed that from April

of 2004 to December of 2005, Midkiff pursued a scheme to defraud others. To promote the scheme, he sent mailings through the U.S. mail and commercial interstate commerce.

Specifically, in the spring of 2004, Midkiff and his co-defendant, Jerry Watkins, began soliciting investors by using the business name “Central Financial Services of Minnesota.” They promised an investment return of six to eight percent per month. Through Central Financial, they also entered into an agreement to invest with West Wing Financial all of the money they collected. They were to provide West Wing \$1 million, and in return, they would receive a minimum

of eight-percent interest per month for 14 months. Thus, they wired more than \$1 million to West Wing.

A few months later, however, they learned that most of the money sent to West Wing had disappeared. But, instead of sharing that news with their investors, they chose to tell them the money had been “transferred” to Horizon Establishment. That business was operated by co-defendant Travis Correll, who was prosecuted in the Northern District of Georgia.

Between 2002 and 2004, Midkiff had worked for Correll, recruiting people to send Correll money to invest through Horizon. Now, though, in an effort to conceal the lost West Wing funds, Midkiff entered into an agreement with Correll through which those funds falsely appeared to have been transferred to Horizon.

Pursuant to the agreement between Midkiff and Correll, Horizon began making monthly “interest” payments to Midkiff, who, in turn, used the money to pay his investors after he and Watkins took their “commissions.” The two men also solicited additional funds—more than

\$1 million—which was then sent to Correll at Horizon.

In December of 2004, however, the monthly interest checks from Horizon failed to clear, and by February of 2005, the checks had stopped coming altogether. But, Midkiff kept paying his investors, using money collected from new clients. Furthermore, he refrained from telling his investors that payments from Horizon had ceased, and he directed potential clients to talk to existing investors to confirm receipt of regular monthly interest disbursements.

Over the course of the conspiracy, Midkiff took and used \$2.5 million of the money obtained from investors. Watkins took more than \$1 million.



This case was investigated by the U.S. Postal Inspection Service; the IRS, Criminal Investigation Division; and the FBI.

Health Care Fraud

Woman Sentenced to Six Years for Defrauding Medica

At times, health care providers seem to speak a foreign language, and for a growing number of patients, they actually do. Many newcomers to the U.S. have trouble understanding medical diagnoses, treatment options, and prescription directions because of the language barrier. To help them, Medica, the health care program that serves 1.3 million members across Minnesota, the Dakotas, and Wisconsin, along with many other care providers, contract with translators.



Indadeeq Omar, age 45, of Eden Prairie, the owner and operator of Global Interpreter Corp., was one of those translators. According to a federal jury, however, she wasn't satisfied with the money legitimately made under the terms of her contract with Medica. So, between 2001 and 2004, she conspired to defraud the program by submitting claims for services not provided.

To further the conspiracy, Omar received member information and

dates of medical visits from a Medica employee. That information was then used to create false claims for services on dates members truly had appointments. Ultimately, Omar wrote company checks to fictitious interpreters, negotiated those checks, and deposited the money into bank accounts she controlled, defrauding Medica out of about \$1.7 million.

When questioned by Medica regarding the large number of claims she submitted, Omar refused to supply supporting documentation. As a result, an investigation ensued, and Omar was indicted. In late 2007, she was convicted of health care fraud conspiracy and conspiracy to commit money

laundering, along with 12 counts of health care fraud, 19 counts of concealment money laundering, and seven counts of promotion money laundering. In July of 2008, she was sentenced to 72 months in prison and ordered to pay \$1.7 million in restitution to Medica.

Omar's husband, Mohamed Essa, also was charged in connection to the conspiracy. He, however, fled the U.S. but was apprehended in April 2008 in South Africa. He



recently pled guilty to health care fraud conspiracy and conspiracy to commit money laundering and awaits sentencing. Tou Chaiker Vang, of Maplewood, was sentenced to a year and a day in prison for his role in the crime. He was employed by Medica and testified against Omar.



This case was investigated by the IRS, Criminal Investigation Division; and the U.S. Department of Health and Human Services, Office of Inspector General. Assistance was provided by the Medica Special Investigations Unit.

Health Care Fraud

Two Blaine Woman Sentenced for Committing Health Care Fraud

In June of 2008, two women from Blaine pled guilty to health care fraud. Chyree L. Hutchinson, age 59, and Donna A. Ruch, age 58, admitted they executed a scheme to defraud several health insurance providers out of hundreds of thousands of dollars.



Through their business, Alternative Counseling Clinic, also known as Healthcare Reimbursement Consultants, the women submitted claims to insurers for counseling services not given to the patients named. On those claim forms, they also misrepresented services rendered and billed for services not provided by the clinicians noted.

The fraud scheme began in 2003 and continued until 2007. During that time, the women, through their business, which was located in Coon Rapids, received fraudulent payments of more than \$200,000.



Each of the women was recently sentenced to 18 months in federal prison for her role in this crime. Ruch and Hutchinson also were ordered jointly to pay \$250,548 in restitution to their victims.

This case was investigated by the U.S. Department of Health and Human Services, the FBI, and the Minnesota Attorney General's Office.

The Problem of Health Care Fraud

In 2007, Americans spent a staggering \$2.26 trillion on health care. According to the FBI, as much as ten percent of that figure—\$226 billion—was lost to fraud.

The rise in health care fraud has led to increased insurance premiums and out-of-pocket expenses as well as decreased benefits and coverage.

The National Health Care Anti-Fraud Association reports that the most common types of health care fraud by those in the health care profession include billing for services not rendered, billing for more expensive services than those actually performed, undertaking unnecessary procedures for the sole purpose of recovering insurance payments, and billing patients for services covered by insurance.

Federal Laws to Help Fight Health Care Fraud

False Claims Act, 31 U.S.C. 3729, penalizes civilly or criminally those who make false statements to the government.

Anti-kickback Statute, 42 U.S.C. 1320A-7b, penalizes criminally those who make payoffs to influence decisions about the delivery of health care goods and services.

Nursing Home Reform Act, 42 U.S.C. 1395i-3 (Medicare) and 42 U.S.C. 1396r (Medicaid), mandates that long-term care providers who receive public funds provide care in the manner specified by the funding program.

Health Insurance Portability and Accountability Act (HIPAA), 18 U.S.C. 1347, provides a separate health care fraud offense.



Mortgage Fraud

Two Women From Greater Minnesota Sentenced for Mortgage Fraud

A 50-year-old Chaska woman and a 38-year-old Buffalo woman were sentenced in federal court during 2008 for their roles in a money laundering scheme that involved the theft of more than \$2.5 million. Molly Heise, of Chaska, was ordered to serve 70 months in prison for stealing money from the clients of her real estate closing company, Profile Title and Escrow Corporation. The woman who served as Profile's chief financial officer, Christine Hein, of Buffalo, was sentenced to two years on probation.

According to court documents filed in this case, Profile, which had

offices in New Hope and Bloomington, accepted hundreds of millions of dollars in wire transfers and check deposits from buyers and lenders during 2002 and 2003. That money was to be held in escrow for the purpose of closing residential real estate deals. Chicago Title Insurance Co., acting as Profile's underwriter,



directed Profile to deposit the funds into an account that would be monitored by Chicago Title. Heise, however, caused \$370,000,000 to be placed in a secret account. Heise then used some of that money to pay for personal expenses.

The court ordered Heise to pay \$3.9 million in restitution. Hein admitted taking about \$134,000 from the account to buy a home. She was ordered to pay that amount in restitution.

This case was investigated by the IRS, Criminal Investigation Division, and the FBI.



Long-Time Home Builder Gets 13 Years for Mortgage Fraud

The owners of Parish Marketing and Development Corp., a Minnesota home-building company, along with several other people, were sentenced in 2008 for their roles in a mortgage fraud scheme. The scheme involved 200 properties, primarily in the New Prague, New Market, and Lonsdale areas, and generated nearly \$100 million in ill-gotten loan proceeds.

For conspiracy to commit mortgage fraud and money laundering, Michael Parish, age 63, of Eagan, was sentenced to 156 months; his wife and company co-owner, Ardith Parish, age 62, received 60 months; and their son-in-law and employee, Christopher Troup, got 120 months.

During the course of the conspiracy, Parish Marketing used "straw buyers" to purchase the homes it built. Those straw buyers routinely failed to visit the properties before purchasing them and seldom executed sales documents, allowing, instead, others involved in the conspiracy to sign their names. Moreover, home loan applications often provided false information, including inflated property appraisal figures. Once the properties were purchased, Parish Marketing, rather than the straw buyers, made the mortgage payments or let foreclosure occur. These actions resulted in a total loss of between \$20 million and \$50 million for more than 50 victims.

Five others also have been sentenced in this case. This investigation was conducted by the Federal Mortgage Fraud Task Force, with assistance from the Minnesota Department of Commerce, the Sheriff's Office in the counties of Scott, Rice, and Le Sueur, and the New Prague police.

The Mortgage Fraud Task Force includes the FBI; IRS, Criminal Investigation Division; U.S. Postal Inspection Service; U.S. Secret Service; the Minnesota Financial Crimes Task Force; and the U.S. Attorney's Office. For assistance from the Task Force, call Postal Inspector Christi Krocks, at (651) 293-3208, or IRS Special Agent Andy Gibert, at (651) 767-3213.

Public Corruption

Law Enforcement Officials Convicted of Theft and Civil Rights Violations



“THEY WENT FROM ENFORCING THE LAW TO BREAKING THE LAW.”

That’s what U.S. Attorney Frank J. Magill said about two workers at the Ramsey County Sheriff’s Office after they were convicted of stealing money while executing a search warrant.

In federal court on August 28, 2008, Timothy Rehak and Mark Naylon, both 48 years of age, were found guilty of theft of government funds and conspiracy to violate the civil rights of the citizens of Minnesota. Rehak, a St. Paul police officer assigned to the Special Investigations Unit at the Ramsey County Sheriff’s Office, and Naylon, the public information official at the Sheriff’s Office, were prosecuted after failing an “integrity” test conducted by the FBI.

In November of 2004, the FBI set up the test because of information received. As part of the test, Rehak was told by a cooperater with a criminal past that a drug trafficker had left drugs and currency in a room at the Kelly Inn in St. Paul. In response, Rehak and Naylon tried to enter

the room without a search warrant. When that failed, they got a warrant and returned in the company of a supervisor from the Investigations Unit.

Once in the hotel room, the supervisor began searching the bathroom, while Rehak and Naylon examined the bedroom. In a dresser drawer, Rehak discovered a bag containing \$13,500 in cash. Naylon motioned for Rehak to give him some of the money. In response, Rehak handed over \$6,000, which Naylon stuffed in his jacket pocket.



The two men then alerted the supervisor that they had found a bag of cash, and the remaining \$7,500 was placed into evidence. At that time, the supervisor was unaware additional money was being concealed in Naylon’s pocket. A videotape of the search

had been secretly shot by the FBI, however, which documented all of Rehak and Naylon’s actions. Ultimately, that tape was played for the jury at trial.

Following the room search, Rehak and Naylon became suspicious since no drugs were found, as they had been told originally. That suspicion led them to suspect they had been subjected to an integrity test. Consequently, that same evening, they called the supervisor and told him they had recovered another \$6,000 in a mattress in the hotel room. The next day they handed over the cash.

Rehak and Naylon were charged, found guilty, and now await sentencing. Each faces a potential maximum penalty of ten years in federal prison on the theft charge as well as ten years for conspiracy to violate the civil rights of Minnesota citizens. A federal judge will determine both of the sentences.

This case was investigated by the FBI.

Why Handle Public Corruption Federally?

The federal government has jurisdiction over many cases involving public corruption. Through the FBI, the feds offer sophisticated technology and investigators specially trained in this area of the law.

Federal investigation and prosecution of corruption can also help local and state authorities avoid conflict-of-interest charges that may be lodged when officials are tasked with investigating or prosecuting “one of their own.”

Nationwide, the FBI has an estimated 200 agents working corruption matters at any one time. The cases, which often take months to develop, can quickly drain local and state resources. Federal involvement may alleviate the resource burden.

Over the past two years, federal prosecutors have obtained corruption convictions against 18,000 people nationwide, including police and public officials. If you suspect corruption, call the FBI, at (612) 376-3200.

The Clean Water Act

The Clean Water Act outlines the tools available to reduce the number of pollutants discharged into U.S. waterways. These tools are employed to maintain the integrity of our waterways so they can support fish, wildlife, and recreation.

The integrity goal is achieved by focusing on reducing the chemicals introduced into the water by sewage plants and industrial facilities. Run-off from streets, farms, and construction sites is also a concern addressed in the Act.

Over the past decade, the federal government has been trying to handle clean water issues more holistically. Through this approach, the government focuses on protecting healthy waterways and restoring impaired ones. Moreover, stakeholders are invited by and encouraged to work with the government to develop and implement effective clean water strategies.

Environmental Crime

Minnetonka Executive Gets Prison Time for Violating Clean Water Act

During the fall of 2008, the President and Chief Executive Officer of Eco Finishing Co., located in Fridley, was sentenced to 15 months in prison for violation of the federal Clean Water Act. David Rosenblum, age 41, a resident of Minnetonka, was earlier convicted by a federal court jury of felony conspiracy to defraud the United States, two counts of felony violations of the Clean Water Act, and ten counts of negligent violations of the Act. Rosenblum also was ordered to pay a \$250,000 fine and serve 200 hours of community service.

Eco Finishing Co. coats metal products. In doing so, it discharges industrial wastewater that enters the sewer system operated by Metropolitan Council Environmental Services ("MCES"). Prior to discharging wastewater, Eco Finishing is to treat it to meet the metal and cyanide discharge parameters set forth in the permit issued to the company by MCES.

In early 2005, however, an environmental manager at



Eco Finishing contacted MCES to complain about the company's wastewater treatment. The manager reported that Clean Water Act violations uncovered during internal wastewater monitoring were not being reported to MCES. He also indicated that the company's cyanide destruction system was not working properly.

A subsequent investigation revealed that on several occasions, Eco Finishing had altered its production and wastewater treatment practices when regulators were on site, conducting compliance tests. Those alterations were designed to

deceive officials by limiting the discharge of pollutants. When regulators left, however, the company resumed normal operations, which resulted in violations of the Clean Water Act.

In February of 2007, the company was ordered to pay a fine of \$225,000 for violating the Clean Water Act. The plant's manager, Martin Meister, also was convicted of Clean Water Act violations and was sentenced to a term of probation.

This case was investigated by the FBI; the MCES; and the EPA, Criminal Investigation Division.

Criminal Division

Major Crimes Section Case Highlights

Security

Special Project: The RNC

The Xcel Energy Center in St. Paul was the site of the 2008 Republican National Convention. Relative to that event, a man from Flint, Michigan, was arrested for making Molotov cocktails, intending to use them to disrupt activities at the convention.

In October of 2008, Matthew DePalma appeared in federal court in Minnesota, where he pled guilty to possession of destructive devices; namely, the Molotov cocktails. A judge will now determine his sentence.

DePalma, age 23, first became known to the FBI in July of 2008 at an event in Wisconsin. At that time, he allegedly expressed a desire to “make some bombs” and “blow up” things at the Republican National Convention. Then, in August, his plans, as recorded by law enforcement, included placing a bomb near the Xcel Center, the convention site. Specifically, he intended to use Molotov cocktails or a chemical bomb in tunnels near the Xcel Center in an attempt to destroy electrical cables and cause power outages.

On August 18, 2008, in Minneapolis, DePalma visited a library to research recipes for explosive devices. According to the FBI, he subsequently obtained supplies and manufactured two jugs of a homemade napalm-like substance for use in Molotov cocktails. Later, he made more Molotov cocktails and then tested his explosives in various remote areas around the Twin Cities. He was subsequently arrested for his activities.

This investigation in this case was conducted by the FBI Joint Terrorism Task Force, which includes the ATF, the FBI, and ICE.



Major Crime Statistics

The FBI Uniform Crime Report for 2007 showed a 1.4 percent decline in violent crime in the U.S. compared to 2006. The Northeast experienced the biggest decrease (5.1 percent), while the South was the only region in the country to post a gain (1.6 percent). Violent crime in the West fell by one percent during 2007, and the Midwest saw a drop of 1.7 percent.

Even though juvenile crime continued to be a concern to law enforcement officials and community leaders across the nation, adults made up 89.7 percent of all murder arrests, 87.1 percent of all aggravated assault arrests, and 73 percent of all robbery arrests in 2007.

Finally, while the prison population kept growing in America during 2007, the rate of growth slowed slightly.

Criminal Division

Major Crimes Section Case Highlights

Project Safe Childhood

The U.S. Department of Justice created Project Safe Childhood, or PSC, to address the growing problem of the sexual exploitation of children, particularly over the Internet.

An integral part of PSC is the task force program. The Internet Crimes Against Children ("ICAC") task forces support law enforcement efforts to investigate and prevent the computer-facilitated sexual exploitation of children. The members of the 59 ICAC task forces nationwide have become regional experts on the subject, providing both investigative and prevention services to communities.

Since PSC's inception, the ICAC task forces have reviewed nearly 200,000 complaints, resulting in the arrest of almost 10,500 people across the country.

Project Safe Childhood



Computers won't hurt your child, but a predator will.

Production of Child Porn Ends in Prison Sentence

In May of 2008, Brian Pfeiffer, of New Ulm, was sentenced to 198 months in federal prison after pleading guilty to one count of production of child pornography. The sentence was imposed by United States District Court Judge Donovan Frank, who rejected Pfeiffer's claim that his stressful

life had caused him to commit the crime.

When entering his plea, Pfeiffer, age 43, admitted producing four videos that depicted two girls, ages seven and nine. The videos showed one girl engaged in explicit sexual conduct on multiple occasions, while the other girl was seen

involved in similar acts on one tape. The defendant made the tapes during 2002 and 2003, when the girls slept over at his home.

The case, a part of the U.S. Justice Department's Project Safe Childhood initiative, was investigated by the FBI and police in Mankato and New Ulm.

Distribution of Child Porn Leads to Federal Prison

On September 26, 2008, a St. Paul man was sentenced to 97 months in prison after he pled guilty to one count of distributing child pornography. Brandon Daniel Wilson-Allen, age 22, also was ordered to serve the rest of his post-prison life on supervised release.



Wilson-Allen admitted he had used his computer to distribute over 100 images

of minors engaged in sexually explicit conduct.

The case, a part of the U.S. Justice Department's Project Safe Childhood initiative, was investigated by the U.S. Postal Inspection Service.

Sex Offender Registration

In 2008, Dennis Pietrantonio, age 61, was found guilty of traveling through interstate commerce without registering as a sex offender, as required by the 2006 Adam Walsh Child Protection and Safety Act. Pietrantonio is obliged to register because of a 2004 conviction in St. Louis County. However, records at the Minnesota Bureau of Criminal Apprehension ("BCA"), indicated Pietrantonio had failed to return his annual address verification. Furthermore,

he could not be found at his last known address, in Hibbing, although the U.S. Marshals Service later located him elsewhere in the U.S.

Pietrantonio is facing a potential maximum penalty of ten years in federal prison. Any sentence will be determined by a judge.

This investigation was conducted by the U.S. Marshals Service, the BCA, and the Hibbing police.

Criminal Division

Major Crimes Section Case Highlights

Receipt of Child Porn Results in Long Prison Term

Jon Green, of Plainview, was sentenced on May 12, 2008, to 121 months in federal prison after pleading guilty to a single count of receiving child pornography. The court also ordered Green to serve supervised release for the rest of his life following his prison term.

In pleading guilty, Green, age 69, admitted he had



received, in electronic form, digital video files of minors engaged in sexually explicit conduct. The files included at least 271 video clips and 7,461 images,

which Green stored on his computer hard drive as well as on discs. Green also admitted the material had been transported over the Internet.

This case, a part of the U.S. Justice Department's Project Safe Childhood initiative, was investigated by the FBI, the Plainview police, and the Wabasha County Sheriff's Office.

Possession of Child Porn Lands Man in Prison

In June of 2008, Adrian Campbell, of Minneapolis, was sentenced to 54 months in federal prison for possessing child pornography. Earlier he had pled guilty to one count of that crime.

In entering his plea, the 46-year-old man admitted that on July 14, 2006, he

knowingly possessed child pornography obtained via



the Internet. In fact, a search warrant executed by police on his residence

yielded over 600 images of child porn on his computer.

This case, a part of the U.S. Justice Department's Project Safe Childhood initiative, was investigated by the Minneapolis Police Department and the FBI.

Federal Child Pornography Statutes

Production—18 U.S.C. 2251

- 15-year mandatory minimum (with no history of crimes against children)
- 25-year mandatory minimum (1 prior)
- 35-year mandatory minimum (2 priors)

Transportation—18 U.S.C. 2252(a)(1)

- 5-year mandatory minimum (with no history of crimes against children)
- 15-year mandatory minimum (any priors)

Distribution/Receipt (affirmative act as apposed to possession) 18 U.S.C. 2252(a)(2)

- 5-year mandatory minimum (with no history of crimes against children)
- 15-year mandatory minimum (any priors)

Possession—18 U.S.C. 2252(a)(4)(B)

- No mandatory minimum (with no history of crimes against children)
- 10-year mandatory minimum (any priors)

The Minnesota ICAC Task Force

In Minnesota, success in addressing the sexual exploitation of children over the Internet is due in large part to the work of the Minnesota Internet Crimes Against Children ("MICAC") Task Force.

The MICAC Task Force was established in 2000 with a Justice Department grant to the St. Paul Police Department. The Task Force is currently comprised of representatives from federal and state law enforcement, every County Attorney's Office in Minnesota, the Sheriff's Office in Cass, Anoka, Clay, Crow Wing, Clearwater, Polk, Dakota, Hennepin, Rice, Lincoln, Murray, Scott, Ramsey, Sherburne, Wabasha, and Washington counties, and police from Baxter, Burnsville, Duluth, Edina, Fergus Falls, Forest Lake, Hermantown, Hutchinson, Mankato, Maplewood, Minneapolis, Moorhead, Morris, Maple Grove, Rochester, St. Anthony, White Bear Lake, and Woodbury.

For assistance, call Cmdr. Neil Nelson, St. Paul police (651) 793-1045.

Immigration Violations

Two Men Sent to Prison for Arranging Fraudulent Marriages



In 2008, two men were sentenced in federal court for conspiring to gain fraudulent entry into the U.S. for dozens of Chinese nationals through the use of sham marriages. Le

Guo Wu, age 31, of Philadelphia, was sentenced to 30 months in prison, while Houa Vang, age 24, of St. Paul, was sentenced to 12 months and a day. Each had pled guilty earlier to conspiracy to profit financially from arranging and participating in fraudulent marriages.

According to the men's plea agreements, Wu led an effort to pay U.S. citizens to enter into sham marriages with Chinese nationals for the purpose of evading U.S. immigration laws. He was assisted by Vang. Both men admitted to committing marriage fraud in order to profit financially, aid entry of Chinese nationals into the U.S., and facilitate the acquisition of permanent residency in America by Chinese aliens.

Wu recruited dozens of Americans in multiple states to participate in the conspiracy, which began in 2004 and continued through October of 2007. He ran the illegal operation from Philadelphia but also worked in the Twin Cities, New York, and China. Between 2006 and October of 2007, Vang assisted in recruiting citizen participants, and both defendants aided those citizens in filling out and filing paperwork in connection to the fraudulent entry of aliens into the U.S.

Moreover, Wu arranged for U.S. citizens to travel to China for the purpose of documenting their purported relationships with Chinese nationals. He also compensated citizens for participating in the scheme.

In 2006, Vang, himself, entered into such a marriage. He, too, made trips to China to document his sham relationship. In addition, he was offered \$20,000 for aiding his fraudulent wife's illegal entry into the U.S., but he received less than that amount.

This case was the result of an investigation conducted by Immigration and Customs Enforcement.



Polish National Sentenced for Smuggling Illegal Immigrants

In September of 2008, a Polish national pled guilty in federal court to smuggling two illegal immigrants into the U.S. Marek Struzik, age 31, admitted that on August 1, 2008, he attempted to bring two men into the U.S. at a place not designated as a port of entry. Moreover, he knew the men he was aiding were illegal aliens from Poland and Slovakia.

According to U.S. Customs and Border Patrol, the aliens were arrested after crossing the Pigeon River into the U.S. They said Struzik had crossed with them before returning to Canada to retrieve his vehicle. He was to pick them up later in Grand Portage State Park. Instead, however, he was arrested when he entered the U.S. at Grand Portage Port of Entry.

In explaining his crime, Struzik told officers he had been contacted in Poland by a man who offered him money to smuggle two people into the U.S. The man paid Struzik to fly to New York and then on to Duluth. Later, Struzik was told to take a bus to Thunder Bay and then fly to Toronto. There, at the airport, he picked up the men and drove back to Thunder Bay, where he received

instructions on how to smuggle them into the U.S. Struzik was paid \$2,500.

On November 25, 2008, U.S. District Court Judge David S. Doty sentenced Struzik to 12 months in federal prison for his crime.

This case was the result of an investigation conducted by U.S. Customs and Border Patrol.

Criminal Division

Major Crimes Section Case Highlights

Human Trafficking



Burnsville Woman Sentenced on Federal Sex Trafficking Charges

In early 2008, a 19-year-old Burnsville woman was sentenced in federal court for operating a prostitution business that involved high school students and the use of a computer. Justine Reisdorf was sentenced to 60 months in prison after earlier pleading guilty to using an interstate facility, namely a computer, to promote prostitution.

At sentencing, U.S. District Court Judge Patrick J. Schiltz called the human trafficking of minors in this way a “truly awful crime” and “one of the worst crimes we see in the federal system.” Judge Schiltz added that an aggravating factor in the case was that Reisdorf knew what she was doing to her friends.

According to court documents, Reisdorf operated her prostitution ring between November of 2006 and March of 2007, in Burnsville. She employed as prostitutes for her business female students under the age of 18 from Minnesota School District 191. She also advertised her business on the Internet, specifically through listings on Craigslist.com. Those listings promoted adult and minor prostitution

and provided photos of the young woman available as well as the prices for their various services.

At sentencing, U.S. District Court Judge Patrick J. Schiltz called the human trafficking of minors in this way a “truly awful crime” and “one of the worst crimes we see in the federal system.”

In April of 2007, a subpoena was served on Craig’s List, Inc., seeking the identity of the person who had placed the listings. The police ultimately determined it was Reisdorf. During a subsequent search of her residence, they found items indicative of a prostitution operation, including customer names and phone numbers.

This case resulted from an investigation conducted by the FBI and the Eagan Police Department

Human Trafficking Task Force

The success achieved by the U.S. Attorney’s Office in prosecuting human trafficking cases is in large part due to the efforts of the Gerald D. Vick Human Trafficking Task Force. That task force, named for a slain St. Paul police officer who dedicated his career to ending human trafficking, strives to investigate and apprehend those involved in the crime.

The Task Force also works to develop investigative and prosecutorial protocols regarding human trafficking as well as provide training to law enforcement as to the identification of traffickers and victims.

The Task Force, led by the St. Paul Police Department, is made up of local, state, and federal investigators, including representatives from the Minneapolis Police Department, the Ramsey County Sheriff’s Office, the Hennepin County Sheriff’s Office, the FBI, and ICE.

For assistance, call Sgt. John Bandemer, St. Paul Police Department, at (651) 266-5988.

Did You Know?

The U.S. Department of Justice reports that an estimated 600,000 to 800,000 people are trafficked annually across international borders for involuntary servitude or use in the sex trades. An estimated 14,500 to 17,500 are trafficked within the U.S. each year. According to the U.S. Justice Department, the Twin Cities area is one of the 15 largest human trafficking centers in the nation.

Criminal Division

Major Crimes Section Case Highlights

Project Safe Neighborhoods

The initiative known as Project Safe Neighborhoods, or PSN, was launched in 2001 by the U.S. Department of Justice. PSN is a multi-disciplinary, strategic approach to reducing gun violence and related crime.

PSN directs federal prosecutors to partner with state and local law enforcement as well as area crime prevention and intervention groups to address gun crime. PSN provides those involved in the effort additional financial and technological resources as well as the assistance of federal investigators and the advantages of federal prosecution when appropriate. The federal government has committed more than \$1.5 billion nationally to PSN since its inception.

PSN has been credited in large part for the dramatic increase in federal gun-case prosecutions over the past eight years. That number doubled nationally from the previous eight years.

Project Safe Neighborhoods



Possession of Illegal Firearm Results in Prison Term

In July of 2007, Tyrone Oaks, age 34, of Michigan, was found in possession of a nine-millimeter semi-automatic pistol. Oaks was a career criminal, having been

convicted between 1992 and 2004 of at least three violent crimes, including robbery, breaking and entering, and assault. As a result of those convictions, Oaks was prohibited under federal law from possessing any firearms. Therefore, after his 2007 arrest, he was tried in federal court as a felon in possession. He was ultimately convicted and sentenced to 293 months in prison for his crime.

This case was part of the U.S. Department of Justice's Project Safe Neighborhoods initiative. It resulted from an investigation conducted by the Minneapolis Park Police Department and the ATF.

Shakopee Man Pleads Guilty to Illegal Firearms Possession

On September 10, 2008, 24-year-old Christopher Zink, of Shakopee, appeared in federal court, where he pled guilty to being a felon in possession of a firearm. He now awaits sentencing.

In entering his guilty plea, Zink admitted that from April 8 through May 6, 2008, he possessed a short-barreled Winchester 12-gauge shotgun. He also admitted he tried to pawn the gun at an area pawn shop, only to be refused because the barrel of the gun was shorter than allowed by law.

The pawn shop notified the Shakopee Police Department of the encounter with Zink. As a result, the police executed a search warrant on his home. There, they found 20 12-gauge shotgun shells and a short-barreled shotgun not manufactured



in Minnesota. Zink was prohibited from possessing any firearms because he had been convicted previously of three felonies.

Zink faces a maximum potential penalty of ten years in federal prison. His sentence will be determined by a federal court judge.

This case was part of the U.S. Justice Department's Project Safe Neighborhoods initiative. It resulted from an investigation conducted by the ATF and the Shakopee Police Department.

Criminal Division

Major Crimes Section Case Highlights

In Another Firearms Case...

On August 24, 2007, a 24-year-old man from Lino Lakes led police on a high-speed chase, tried to high-jack an automobile, and shot a man. On May 21, 2008, the perpetrator of those crimes appeared in federal court and pled guilty to attempted carjacking, use of firearms in relation to a crime of violence, and felon in possession of firearms.

Daine Joseph Adam Linderman admitted that on August 24, when police in Hudson, Wisconsin, tried to arrest him, he fled by car. The police pursued him into Minnesota, where Linderman eventually crashed his vehicle before taking off on foot.

Later, Linderman entered a Lakeland residence and ordered the couple inside, at gun point, to show him their car. Once in the garage, however, the male occupant of the house wrestled the gun, a 22-caliber assault rifle, away from Linderman. During the struggle, a 45-caliber semi-automatic handgun in Linderman's possession went off, striking the other man in the lower extremities. Nonetheless, the man

pinned Linderman to the ground until police arrived.

Previously convicted of a felony, Linderman was prohibited from possessing firearms. Furthermore, he admitted he intended to take the Lakeland man's car by force, violence, and intimidation and was prepared to use serious bodily harm to do so.

On December 22, 2008, Chief U.S. District Court Judge Michael Davis sentenced Linderman to 282 months in federal prison for his crimes.

This case was the result of an investigation conducted by the ATF; the FBI; the Washington County Sheriff's Office; the St. Croix County, Wisconsin, Sheriff's Office; and the police departments of Hudson, Wisconsin, and Bayport, Minnesota.



Bank Robbery

A bank robbery is very frightening to everyone, from tellers to customers. During 2008, the United States Attorney's Office prosecuted several bank robbery cases, one of which is highlighted here.



They announced the robbery; and then, while one man held a gun, the other leaped over the counter and grabbed an undisclosed amount of cash before both left the premises.

On June 2, 2008, the last of four men was sentenced in connection to the 2007 holdup of the Farmers and Merchants State Bank in Alpha. Gary Percival, of Medford, was ordered to serve 40 months in federal prison for his role in the crime. The other three men involved were sentenced earlier. Robert Eskelson, age 23, of Northfield, was sentenced to 42 months; Voravong Koubandohn, age 32, of Jackson, got a 120-month sentence; and Jeremiah Billings, age 19, of Kilkenny, received a 36-month sentence.

All four had pled guilty, admitting that on September 10, 2007, Billings and Percival entered the bank, wearing ski masks, hooded sweatshirts, and gloves.

Some witnesses told police they thought the men took off on a dirt bike or motorcycle, but others described a gray vehicle. In a rural area, police later found a motorcycle as well as tracks from an automobile. A van matching the witnesses' description was eventually stopped in Iowa, after a bag was thrown from its window. The bag contained a ski mask, handgun, and cash. Eskelson and Percival were arrested immediately. Billings and Koubandohn were arrested by Jackson County officials back here in Minnesota.

This case was investigated by the FBI and the Jackson County Sheriff's Office.

Criminal Division

Major Crimes Section Case Highlights

Indian Country



The federal government has primary law enforcement jurisdiction over the Red Lake and Nett Lake (Bois Forte Band of Chippewa) Indian reservations. Therefore, the U.S. Attorney's Office in the District of Minnesota is charged with prosecuting felonies that occur at those sites. The U.S. Attorney's Office takes its responsibility in Indian Country very seriously, as illustrated by the following case summaries:

In June of 2008, a 20-year-old from the Red Lake Indian Reservation was sentenced to 37 months in

federal prison for the death of Edward Maxwell, also of Red Lake. Frank Gurno, Jr., had pled guilty earlier to one count of involuntary manslaughter. In entering his plea, Gurno admitted that in 2007, he was driving recklessly, after drinking, when he struck and killed Maxwell, a pedestrian. The case was investigated by the FBI and the Red Lake Police Department.

In September of 2008, two Red Lake men were sentenced to federal prison in unrelated sex abuse cases. Both men also were ordered to register as sex offenders and participate in sex offender treatment.

Donald Clark, age 27, was ordered to serve 170 months in prison after pleading guilty to one count of sexual abuse of a minor. Clark admitted forcing a 14-year-old girl to engage



in sexual intercourse on the Red Lake Indian Reservation in 2007.

In the second case, Bryan Stately, age 21, was ordered to serve 144 months in prison after earlier pleading guilty to one count of sexual contact with a minor. In entering his plea, Stately admitted having sexual contact with a nine-year-old girl on the Red Lake reservation in 2007.

The first case was investigated by the Red Lake police and the FBI. The second case was investigated by the FBI.



In Another Red Lake Case...

On April 14, 2008, Melanie Bedeau, a resident of the Red Lake Indian Reservation, was sentenced to ten years in federal prison for the 2007 murder of Angela Brown, also of Red Lake. Bedeau had earlier pled guilty to murder in the second degree.

According to her plea agreement, Bedeau and her boyfriend attended a May 2, 2007, wedding party at her sister's home on the Reservation. About eleven o'clock that night, the couple got into an argument, prompting Bedeau to say, according to witnesses, that people were "going to die." Then, she got into her truck and took off at a high rate of speed, hitting two party guests who were milling about the driveway. One of the victims was Angela Brown, who died from her injuries. The other was Bedeau's sister, who was seriously injured. In entering her guilty plea, Bedeau admitted she had acted recklessly and was under the influence of alcohol at the time of the accident.

This case was the result of an investigation conducted by the FBI and the Red Lake Police Department.

Criminal Division

Major Crimes Section Case Highlights

Identity Theft

Two Sentenced for Identity Theft

In the fall of 2008, two people were sent to federal prison for conspiring to use counterfeit identification to obtain money from area banks. For that crime, Alan Scott, age 39, was sentenced to 42 months, while Michelle Laughter, age 41, received a 38-month sentence. Earlier each had pled guilty to conspiracy to use counterfeit identification to get money from financial institutions and aggravated identity theft.

In entering their pleas, the defendants admitted they acquired money held in bank accounts of others by securing those people's

financial information and then making and using counterfeit checks. In January of 2008, for example, Laughter obtained the banking information of someone at Wells Fargo Bank and used it to create a check she presented to a local merchant. Scott did the same with information from TCF Bank. In all, they used the identities of over 100 people, resulting in court-ordered restitution of \$67,668.56.

This case was investigated by the FBI, the U.S. Postal Inspection Service, the U.S. Secret Service, and the Minnesota Financial Crimes Task Force.

In Another Identity Theft Case...

A Maple Grove man appeared in federal court in June of 2008 to plead guilty to wire fraud and identity theft. Zachary Mann, age 21, admitted hacking into an Internet order-processing server to obtain credit card numbers not his own. Using those numbers, he added monetary value to gift cards he had purchased at restaurants. Then, he sold those cards on "Craigslist."

Mann committed this crime while on supervised release for a 2006 identity theft conviction in Florida. For his latest crime, Mann faces a potential maximum sentence of 20 years for wire fraud and a mandatory minimum of two years for aggravated identity theft. A federal judge will determine his sentence in the near future.

This case was investigated by the U.S. Secret Service, the FBI, and police in Maple Grove and Shakopee.

Other Major Crimes

Counterfeiting Currency

In May of 2008, a federal judge ordered 30-year-old Jerry Wuotila, of Watkins, to serve 42 months in prison for counterfeiting \$100 bills. He earlier pled guilty to five counts of manufacturing counterfeit obligations and other securities.

When Benton County law enforcement arrested Wuotila in 2007, they found \$12,700 in counterfeit bills in his possession. They also seized from his car items consistent with a counterfeiting operation, such as a laptop computer.

In addition, they retrieved things tossed from his vehicle during the police chase that initially led to his arrest. Among them were 75 counterfeit \$100 bills, a scale, and a counterfeit detection pen.

Wuotila has previous convictions in Crow Wing, Benton, Douglas, and Kanabec counties for counterfeit-related crimes. This latest case was investigated by the U.S. Secret Service, the Benton County Sheriff's Office, and the Sauk Rapids police.

Cable Piracy

On May 8, 2008, after nearly two days of deliberation, a federal court jury convicted a Ramsey couple of defrauding cable television service providers. Michelle Sweeney, age 46, and Jon Sweeney, age 51, were found guilty of selling descramblers that allowed cable customers to get premium and pay-per-view programming without paying for them. They now await sentencing.

In 1996, the couple began the scheme through their business, Micro-Star Technology. They used the fraud proceeds to benefit themselves and further the scheme. Specifically, they were convicted of conspiracy, unauthorized interception of cable service, aiding and abetting currency structuring, and currency structuring.

The case was investigated by the FBI; IRS, Criminal Investigation Division; police from Elk River, Eden Prairie, and Ramsey; and the Pine County Sheriff's Office. Four other defendants previously pled guilty; two of them have been sentenced on tax offenses, while the remaining two await sentencing.

Criminal Division

Narcotics Section Case Highlights

Narcotics Overview

According to a report by the State Department of Human Services, Twin Cities' treatment program admissions for dependency on opiates—narcotics containing opium or its derivatives—jumped during 2007. Opiate-related deaths also continued to climb and now outnumber those for cocaine. In the counties of Ramsey and Hennepin combined, 106 deaths were linked to opiates in 2007, up from 96 in 2006. Cocaine-related deaths dropped to 70 in 2007.

The report also indicated that cocaine treatment admissions fell again in 2007, while those for LSD and ecstasy went up. In addition, meth abuse showed continued signs of decline, a trend since 2005. However, abuse of marijuana increased in 2007, with use among high school seniors up from 29.2 percent in 2004 to 33 percent last year.

The Minnesota Drug Trends report is published twice annually.

Methamphetamine

Stacy Man Sentenced to Life in Prison for Dealing Methamphetamine



In November of 2007, a 52-year-old Stacy man was ordered to serve the rest of his life in federal prison after being convicted of dealing meth out of his home. There is no parole in the federal system.

Following a four-day trial, Jeffrey Jeanetta was found guilty of conspiracy to distribute and possession with the intent to distribute 18 pounds of methamphetamine and distribution of 87.2 grams of methamphetamine. Jeanetta, who is prohibited from possessing firearms due to State felony convictions in 1979 and 1995, also was convicted of possession of firearms by a felon.

Trial evidence showed that from 1998 to 2006, Jeanetta conspired with others

to deal methamphetamine. Evidence also showed he had supplied much of the meth found in and around Chisago County. He obtained the drug from sources in California and Arizona and sold it to users and dealers as young as 18 years of age.

In 2005, Jeanetta was arrested for his role in this criminal operation. He fled, however, and was not apprehended until 2006, when he was captured by the U.S. Marshals Fugitive Task Force. At that time, he was found in possession of two semi-automatic, 45-caliber pistols.

This case was investigated by the FBI, the Minnesota Bureau of Criminal Apprehension, and the Chisago County Sheriff's Office.



Three More Sentenced for Dealing Meth

In 2008, three people were sentenced to federal prison for being part of a methamphetamine distribution ring. For this crime, Fermin Rivera, age 37, of West St. Paul, was ordered to serve 120 months in prison; Jessica Wilson, age 37, of Bigfork, was sentenced to 15 months; and Michelle Lopez, age 32, of Worthington, received a 16-month sentence. All pled guilty earlier to the charge of aiding and abetting methamphetamine distribution.

According to the DEA, police made a controlled buy from Rivera in July of 2007 at a Richfield apartment complex. Rivera was arrested, after which officers executed a search warrant on his home. There, officers found eight ounces of meth and about \$3,000. Previously, a search of the Lopez residence yielded two ounces of meth, drug trafficking material, and a gun. Finally, officers uncovered an ounce of meth in Wilson's car and five ounces of meth in a Brainerd home tied to Wilson.

This case was investigated by the DEA, the Organized Crime Drug Enforcement Task Force, the Minnesota Bureau of Criminal Apprehension, the Crow Wing Sheriff's Office, and police from Brainerd, West St. Paul, and Worthington.

Methamphetamine

Drifter Gets 30 Years for Dealing Meth

Thirty-four-year-old Juan Estrada had no permanent address, but he will be living in a federal prison for the next 30 years. Following a two-day trial in 2007, Estrada was convicted of conspiracy to distribute and possession with the intent to distribute more than 500 grams of methamphetamine. In the fall of 2008, he was sentenced. Earlier, his co-defendants, both residents of Minneapolis, pled guilty to conspiracy. Eduardo Soto, age 37, was ordered to serve 190 months in prison, while Oscar Estrada, age 31, received a sentence of 48 months.

Law enforcement documents stated that between December of 2006 and June of 2007, the three men sold meth in the Twin Cities. In May

2007, officers began investigating their operation. In June, law enforcement witnessed Soto and Oscar Estrada leave a Minneapolis house Sota had visited many times. The officers followed the two men and finally stopped them for a traffic violation in Brooklyn Park. At that point, the officers' drug-detection dog alerted to the dashboard of the men's vehicle. A subsequent search yielded about one and one-half pounds of meth along with a semi-automatic pistol. The men were arrested immediately.

A search warrant then was executed on the Minneapolis house tied to Sota. There, officers found Juan Estrada, many hand-written notes listing drug quantities and prices,

approximately \$1,000 in cash, ammunition, discarded cell phone wrappings that tested positive for meth, zip-lock bags, a heat-sealing machine, and another one and one-half pounds of methamphetamine.

Juan Estrada, who was immediately arrested, is no stranger to law enforcement. In 2006, he was stopped by the Nevada Highway Patrol, his car searched, and more than \$100,000 in cash recovered from the radiator.

This case was investigated by the DEA, the Sherburne County Drug Task Force, and the Nevada Highway Patrol.



Arizona Man Convicted and Sentenced in Minnesota for Distributing Methamphetamine

In May of 2008, an Arizona man was sentenced in federal court in Minnesota for conspiracy to distribute methamphetamine. Jose Rodriguez Gomez, age 27, of Phoenix, was ordered to serve 63 months in prison after pleading guilty to the crime. His co-defendant, Michael Shofner, age 38, of Coon Rapids, was sentenced to 60 months in prison after pleading guilty to possession with the intent to distribute methamphetamine.

Court documents stated that a Minnesota State Trooper stopped Gomez for a traffic violation on Interstate 35, near Faribault, on September 2, 2006. Gomez gave the officer an invalid driver's license, which prompted an immediate arrest. During a subsequent search of the vehicle, a drug-detecting dog alerted repeatedly to the presence of drugs. Police ultimately recovered one pound of meth from the dashboard.

In pleading guilty, Gomez admitted that from February to October of 2006, he conspired to distribute meth; and that on September 2, 2006, he was transporting about 656 grams of the drug from Arizona to Minnesota.

For his part, Shofner admitted that on October 26, 2006, he sold about two ounces of meth. He also admitted he had intended to sell the 70.4 grams of meth police recovered from the inside of a computer found during a search of his Coon Rapids' home.

This case was the result of an investigation conducted by the DEA and the Anoka-Hennepin Drug Task Force. Investigative assistance was provided by the Minnesota State Patrol.



Marijuana

Five Involved in Marijuana Distribution Operation Sentenced to Federal Prison



As June of 2008 came to an end, so did a major marijuana operation in the metro area. At that time, the last of five people involved in a marijuana distribution ring were sentenced in federal court.

Thomas Fischer, age 48, of Ashland, Oregon, and Lorraine Wright, also 48, of Redmond, Washington, were ordered to federal prison after each pled guilty to conspiracy to possess with intent to distribute more than 100 kilograms of marijuana.

Fischer was ordered to serve a 24-month sentence, while Wright received a sentence of 70 months. Three co-conspirators were sentenced earlier after pleading guilty to the same charge.

According to documents on file with the court, the five knowingly conspired with each other and others to distribute marijuana between 2001 and June of 2007. Specifically, Fischer and Wright, along with a co-conspirator, were seen during an arranged

controlled buy on June 15, 2007. Then, later in the day, after a traffic stop, authorities seized about 50 pounds of marijuana from Wright's vehicle. Subsequently, a search warrant was executed at a Brooklyn Park residence where the three had been spotted earlier. There, investigators confiscated about 200 more pounds of marijuana, a gun, and \$62,000 in cash.

On June 18, 2007, DEA agents also executed a search warrant at a home in Oregon. That search

yielded evidence of a prior, sizeable marijuana cultivation operation.

Fischer, from Oregon, began cultivating marijuana in 2001, according to court documents. He continued to do so until his 2007 arrest in Minnesota.

This case was investigated by the Minnesota State Patrol; DEA; the Hennepin County Sheriff's Office; the Oregon State Police; the Jackson County, Oregon, Sheriff's Office; and Brooklyn Park police.

White Bear Lake Man Sentenced for Grow Operation

In August 2008, a White Bear Lake man was sentenced to federal prison for growing marijuana in his home.

Soua Vang, age 28, was ordered to serve 60 months in prison after pleading guilty to one count of manufacturing marijuana. Vang admitted growing about 900 viable plants.

According to the DEA, a firefighter contacted law enforcement in January 2008, after responding to a call from a citizen who thought the inside of Vang's house might be on fire. The caller said the home's exterior was covered in condensation, and the roof was absent any snow. In checking



the residence, the firefighter saw no smoke or fire but found the exterior hot to the touch. Later, after Vang was stopped by police and told of their concern, he went home, only to report back that the house was overly warm simply because he had set the heat too high.

Nonetheless, in February 2008, authorities executed a search warrant on the premises and uncovered a marijuana grow operation. The basement and all unoccupied bedrooms were filled with plants. The basement also contained remnants of a recent plant harvest. Vang, who was at home with a young child at the time, was arrested.

This case was investigated by the DEA, the Ramsey County Sheriff's Office, the Oakdale Police Department, and the White Bear Lake Police Department.

Cocaine

Duluth Drug Ring Leader Gets More Than Ten Years in Prison

For two years, local, state, and federal investigators worked to take down those involved in one of the largest known drug rings in Duluth history. In the fall of 2008, investigators got to see the leader of that ring, Bernard Vann, sentenced to 126 months in federal prison for his role in the criminal operation. Vann, age 42, pled guilty earlier to aiding and abetting in the distribution of 50 or more grams of crack cocaine.

Vann was the owner of Hot Gear Cold Grills & Beauty Supply, a store in downtown Duluth. He often used the store as a front for illegal activity, including distributing cocaine and crack cocaine. In addition, he supplied drugs to more than 30 distributors in the area. Law enforcement indicated that during the two years preceding the arrest of Vann and two dozen members of his drug ring, the group was responsible for the



sale and distribution of 40 to 60 kilograms of cocaine and crack cocaine in the Duluth-Superior area.

All defendants in this case have pled guilty to various narcotics charges. All but one have been sentenced, many to more than five years in prison.

This case was the result of the investigative work of the Lake Superior Drug and Gang Task Force, the Duluth Police Department, and the ATF, with assistance from the Minnesota Bureau of Criminal Apprehension.

Brothers Get Federal Prison Time for Distributing Cocaine

Two brothers from Faribault will spend the next five years in federal prison for selling cocaine. Ahmed Hadi Al Jebory, age 21, and Mohammed Hadi Al Jebory, age 23, were sentenced in June of 2008. Earlier, Ahmed Hadi Al Jebory pled guilty to conspiracy to distribute cocaine, while Mohammed pled guilty to possession of a firearm in furtherance of a drug-trafficking crime.

The brothers admitted that in early 2007, they conspired with others to possess and distribute 19.5 grams of crack cocaine and 95.6 grams of cocaine. According to ATF, law enforcement had been investigating the brothers and, in January of 2007, had made two controlled buys from them in a Faribault parking lot. Those buys involved a total of 5.2 grams of cocaine. Then, in February, 2007, authorities executed a



search warrant on a Faribault residence, where they found both men. They also found 90.4 grams of cocaine and 9.4 grams of crack cocaine in a kitchen drawer. Elsewhere in the residence, they located an unloaded 25-caliber pistol, a loaded 9-millimeter pistol, some ammunition, and \$13,500 in cash. Moreover, they recovered plastic bags, a digital scale, and other items indicative of a drug trafficking operation.

This case was the result of an investigation conducted by the ATF, the Rice County Drug Task Force, the South Central Drug Investigation Unit SWAT, the Rice County Sheriff's Office, the Steele County Sheriff's Office, the Northfield Police Department, and the Faribault Police Department.

Other Illegal Drugs

Five Plead Guilty to Distributing Heroin and Cocaine

In August of 2008, the last of five defendants involved in a Minneapolis drug trafficking organization appeared in federal court to admit to criminal wrongdoing. Phat Minh Nguyen, age 35, of St. Paul, pled guilty to using a communication facility to cause and facilitate the commission of felony controlled substance violations. In entering his plea, Nguyen admitted being part of a conspiracy to distribute heroin and cocaine in the Twin Cities between May and December of 2007.



The co-defendants in this case included Ramiro Cuevas-Martinez, age 35; Eddy Medina-Garza, age 22; and Feliz Murguia-Garcia, age 36, all of Brooklyn Park, along with Christian Hernandez-Seldana, age 33, of Fridley. Each of them earlier pled guilty to conspiracy to distribute heroin and cocaine.

In carrying out the conspiracy, Hernandez-Seldana routinely received phone calls from drug seekers. He usually directed them to a set of cross streets on the south side of Minneapolis. He also provided them with a time frame during which the drugs would be delivered to that site. Cuevas-Martinez, Medina-Garza, and Murguia-Garcia were “runners.” They delivered the drugs to the waiting customers. Nguyen was a regular customer, securing heroin from the organization for other people. He also tried to warn those in the organization of police activity.

Each defendant faces a potential maximum penalty of life in prison. A federal judge will decide all sentences. The case was investigated by the DEA, the Northwest Metro Drug Task Force, and Minneapolis police.

Shakopee Man Sentenced to 108 Months for Selling Ecstasy

Outhay Siharath, who often goes by the name “Spider,” appeared in federal court in February of 2008 to plead guilty to selling ecstasy. The 31-year-old Shakopee man admitted that between October and December of 2007, he conspired with another person to distribute approximately 29,000 tablets, or about 7,250 grams, of the drug. As a result of his plea, he was sentenced to 108 months in prison.

According to the FBI, officers made a controlled buy of 500 ecstasy pills from Siharath in a Shakopee parking lot in October of 2007. Then, on December 17, 2007, Siharath and

his co-defendant, Detvisay Nui Sorthe Pharack, were arrested in a parking lot at the Mall of America, in Bloomington, where they were attempting to sell 20,000 ecstasy pills. Their sale price was \$70,000.



Ecstasy, or MDMA, is a synthetic psychoactive drug chemically similar to methamphetamine. It provides energy and euphoria but can produce depression, anxiety, and confusion. In large doses, it also can alter body temperature and even cause death.

Recently, Sorthe Pharack, age 31, of Bloomington, was sentenced to 26 months in prison after pleading guilty to conspiracy.

This case was the result of an investigation conducted by the FBI and the Minneapolis Police Department.

Other Major Drug Trafficking Operations

23 People Indicted for Involvement in Drug Trafficking Operation

In early May of 2008, a secret indictment was handed down against 23 people in connection to a major drug trafficking operation in the Twin Cities. The case involved the distribution of marijuana, crack cocaine, and ecstasy; but the charges extended beyond drug crimes to include money laundering, firearms violations, and carjacking.

The indictment, unsealed in late May, after most defendants had been arrested, stated that from 1999 to 2008, 22 of those charged conspired to possess with the intent to distribute and to distribute more than 50 grams of cocaine base (crack) along with five or more kilograms of cocaine hydrochloride, the semi-synthetic psychedelic drug MDMA (ecstasy), and marijuana.

The indictment also stated that Minneapolis residents Mohammad Abdul-Ahad, age 27; Marques Martin, age 25; James King, Jr., age 26; Steven Gant, age 27; and Calvin Cotton, age 21; along with David Osborne, age 29, of Tonka Bay; Akbar Abdul-Ahad,

age 24, of St. Louis Park; and Robert El, age 39, address unknown, conspired to possess firearms in furtherance of a drug trafficking operation.



Moreover, 48-year-old Chiffon Williams, of Minneapolis, allegedly maintained a stash house in that city for the purpose of packaging, storing, and distributing illegal drugs. In addition, Williams and Mohammad Abdul-Ahad were charged with conspiring to commit money laundering in connection to the operation by allegedly transferring drug proceeds. According to the indictment, they deposited drug money into bank accounts and then used the funds to buy cars.

Also, Marques Martin was charged with use of a firearm during a drug trafficking offense as well as three counts of possession of a firearm by a felon; while Akbar Abdul-Ahad was charged with aiding and abetting the use of a

firearm during a drug trafficking crime. James King, Jr., also was charged with carjacking, use of a firearm during a crime of violence, and two counts of felon in possession.



In addition, Gant and Osborne were charged with possession with intent to distribute cocaine base and distribution of cocaine. Buster Gaston, age 31, of St. Paul, was charged with possession with intent to distribute marijuana and two counts of distributing marijuana.

Others indicted in the case include Minneapolis residents Jimmy Martin, age 20; Donte Martin, age 28; Dentell Green, age 23; Robert Herron, age 24; Noah Gillman, age 31; Benjamin Adams, age 18; and Anthony Richmond, age 25; along with Christine Clark, age 37, of St. Louis Park; Bryson Wilson, age 22, of Richfield; Vito Williams, age 24, and John Wooldrige, age 23, both of St. Paul; Michael

Reid, age 32, address unknown; and Kevin Lewis, age and address unknown.

Some defendants have pled guilty; others await trial. None has been sentenced. The potential maximum penalties in this case are life in prison for conspiracy to distribute and possession with intent to distribute controlled substances as well as possession with intent to distribute cocaine base; 10 years for possession with intent to distribute marijuana; 20 years for money laundering; 20 years for conspiracy to possess a firearm in furtherance of drug trafficking; ten years for being a felon in possession of a firearm; five years for use of a firearm during a violent crime; and 15 years for carjacking. A federal judge will determine all sentences.

This case was the result of an investigation conducted by the ATF; DEA; IRS, Criminal Investigation Division; along with the Minneapolis Police Violent Offender Task Force; and the Minnesota Gang Strike Force.

Criminal Gangs

Member of Rolling 30's Bloods Convicted of Federal Drug Crime



During the first week of September 2008, a long-time member of the Rolling 30's Bloods street gang was convicted in federal court for his role in a 15-year drug trafficking operation in the Twin Cities. Following an eight-day bench trial, Joe Edwards, Jr., age 37, of Minneapolis, was found

guilty of conspiracy to possess with intent to distribute and distribution of 50 or more grams of cocaine base, commonly known as crack. He also was found guilty of conspiracy to possess firearms during and in relation to a drug trafficking crime. He now awaits sentencing.

Edwards, also known as Jodebe, reportedly joined the Rolling 30's Bloods at age 12. He was greatly respected by others in the organization. Before his arrest, he had reached the pinnacle of gang membership and was reaping the benefits of the gang's activities.

The Rolling 30's Bloods street gang operates on the south side of Minneapolis, in a residential neighborhood that encompasses blocks numbered in the 30's. The gang's territory is bordered by Lake Street on the north, 42nd Street on the south, Nicollet Avenue to the east, and Bloomington or Elliot avenues to the west.

In his conviction of Edwards, U.S. District Court Judge Donovan Frank wrote, "The primary purpose for establishing the territory of the Rolling 30's Bloods was to control the sale of drugs within its territory to the exclusion of all others, including rival gangs." Judge Frank went on to state that "selling crack cocaine was a routine event and became a primary purpose and activity of the gang."

More than 40 witnesses testified at Edwards' trial, including several gang members. Four members of the

Rolling 30's testified that anyone caught selling drugs in their territory was robbed or shot. They also told of an agreement among the gang's members to help one another, especially in relation to drug distribution and loaning guns.

Members of the Rolling 30's sell drugs at intersections within the gang's territory. Usually, at one time, they sell small amounts of crack, such as one or two rocks. Their encounters with customers, who either walk up or drive up, are brief hand-to-hand exchanges. As for guns, witnesses testified that members of the Rolling 30's Bloods either stole guns or traded drugs for them. Gang members also had firearms available to them during drug trafficking activities.

According to trial testimony, Edwards had dealt crack cocaine within the last five years; he had bought and possessed drugs; and he had been known to set up drug buys, only to steal the drugs instead. Moreover, while in prison during 2007, Edwards was still involved in the drug conspiracy; and he was supplied with drugs shortly after his release. Finally, both gang and police witnesses testified that they had seen Edwards with a 32-caliber Magnum on several occasions.

Edwards and eleven others involved in the Rolling 30's Bloods were indicted in August of 2007. They represent just some of the many street gang members prosecuted by the U.S. Attorney's Office for federal narcotics and firearms offenses over the past several years.

This case was the result of an investigation conducted by the Minneapolis Police Department, the Minnesota Gang Strike Force, the Minnesota Department of Corrections, and the ATF.



Civil Division

The Civil Division, led by Assistant United States Attorney Gregory G. Brooker, represents the United States in both affirmative and defensive civil actions in federal and state court.

In addition to paralegals, legal assistants and other specialists, 11 Assistant U.S. Attorneys staff the Civil Division. They include James S. Alexander, Chad A. Blumenfield, Lonnie F. Bryan, Roylene A. Champeaux, David W. Fuller, Mary Jo Madigan, Robyn A. Millenacker, Friedrich A. P. Siekert, Mary L. Trippler, Ana H. Voss, and D. Gerald Wilhelm.

The Civil Division's affirmative litigation includes enforcing federal environmental, fair housing, and civil rights laws as well as suing corporations and individuals for civil fraud, including health care fraud, agricultural program fraud, and federal procurement fraud. Its defensive litigation includes Federal Tort Claims Act cases,

employment discrimination lawsuits, immigration litigation, constitutional torts filed against federal officials, and defending suits challenging the constitutionality of federal statutes.

The Civil Division also represents the interest of the U.S. in bankruptcy proceedings, mortgage foreclosures, land condemnations, and commitment actions against mentally ill and dangerous federal inmates. Moreover, the Civil Division includes the Asset Forfeiture Unit, which forfeits property held by defendants as proceeds of criminal activity, and the Financial Litigation Unit, which collects criminal fines and restitution, civil penalties, and defaulted federally insured student loans.

The Enforcement of Civil Rights Laws

The U.S. Attorney's Office in the District of Minnesota has an active program for the civil enforcement of federal civil rights.

The Civil Division is currently handling over 50 civil rights enforcement cases under the Americans with Disabilities Act, the Fair Housing Act, and other federal civil rights statutes. For its work in this area, the Civil Division has received recognition nationally.

Minnesotans, however, have long been at the forefront in the fight for civil rights. In the 1940's, the Minneapolis City Council passed the nation's first open-housing law, which became the model for the Civil Rights Act of 1964. Moreover, it was Minnesota's own Hubert H. Humphrey who, in 1948, challenged the nation to "Get out of the shadows of states' rights and walk forthrightly into the bright sunshine of human rights."

Civil Rights Enforcement Case Highlights

Americans with Disabilities Act

The ADA Hospital Enforcement Project



In 2008, we saw completion of the U.S.

Attorney's Hospital Enforcement Project under the Americans with Disabilities Act ("ADA"). From 2004 to 2008, the Civil Division audited hospitals for compliance with the ADA, which requires health care providers to offer "effective communication" to deaf patients and their companions.

In 2005, a federal court signed off on a consent

decree that civil litigators entered into with Fairview Health Service after deaf patients filed complaints with the U.S. Attorney's Office in Minneapolis. Those complaints charged Fairview with failing to provide qualified sign language interpreters and other auxiliary aids and services to deaf people. The Fairview consent decree was the first in the nation in which the Justice Department required a specific level of certification for sign language interpreters in health care settings.

In 2008, two additional hospital agreements were approved, one with Health East in St. Paul, the other with St. Mary's Duluth Clinic. Those agreements build upon the Fairview consent decree and require the companies to train employees on the ADA. They also require systems to be established to handle requests for interpreters at all times. The Fairview, Health East, and St. Mary's Duluth Clinic agreements cover 15 hospitals and over 50 primary care clinics in Minnesota.

Accessibility in Public Arenas and Stadiums

In 2008, the United States Attorney's Office conducted a review of the Target Center in Minneapolis for compliance with the ADA's accessibility requirements. Because the Target Center was being remodeled at the time, U.S. Attorney representatives reviewed project blueprints to ensure that public restrooms, concession areas, and arena seating would comply with the ADA. Those representatives then outlined necessary design modifications; and after the project was completed, they inspected the facility to confirm ADA compliance.

In 2009, the United States Attorney's Office will begin a review of other public arenas and stadiums in Minnesota, including the Hubert H. Humphrey Metrodome, the Xcel Energy Center, and the new Twins Stadium. This review will ensure that people with disabilities are able to enjoy fully the activities conducted in these public venues.

Americans with Disabilities Act

The ADA Hotel Enforcement Project

In August of 2008, the U.S. Attorney's Office announced an initiative to review all hotels in downtown Minneapolis to ensure their compliance with the Americans with Disabilities Act ("ADA"). In making this announcement, U.S. Attorney Frank J. Magill said, "The ADA is vitally important to Minnesota residents and to visitors to this state, and it is imperative that hotels and other public accommodations comply with their obligations under federal law."



The ADA prohibits discrimination on the basis of disability by private entities that own or operate "places of public accommodation." The ADA authorizes the U.S. Department of Justice, through each U.S. Attorney's Office, to investigate complaints and undertake periodic reviews of facilities covered by the law. The goal of the hotel review in Minneapolis is to ensure compliance with the accessibility provisions of the ADA.

Magill indicated a detailed survey would be sent to 24 downtown hotels. Survey

"The ADA is vitally important to Minnesota residents and to visitors to this state, and it is imperative that hotels and other public accommodations comply with their obligations under federal law."
U.S. Attorney
Frank J. Magill

responses would then be confirmed, possibly, through on-site inspections conducted by U.S. Attorney representatives. Those representatives would also work with hotel management to correct ADA violations relative to access to hotel rooms and common areas.

According to Magill, the review is undertaken pursuant to the Justice Department's statutory responsibility to ensure ADA compliance and not in response to a specific complaint against any hotel. Additional hotels in the downtown area will be reviewed in the future.

In Other 2008 ADA Cases...

Civil litigators in the U.S. Attorney's Office for the District of Minnesota also reached the following settlements:

- A strip mall in Minneapolis and a fast-food restaurant in Fergus Falls agreed to make their parking areas compliant with the ADA;
- A hospital in Buffalo agreed to provide interpreters to deaf patients and their companions;
- A restaurant in Stillwater changed its policies regarding service animals; and
- A hotel in Flood Bay agreed to provide wheelchair accessible guest rooms.

Fair Housing Act

Rochester Landlord Settle Fair Housing Act Case

THE FAIR HOUSING ACT PROTECTS ALL CITIZENS FROM DISCRIMINATORY ACTIONS



In June of 2008, the U.S. Attorney’s Office reached a settlement with one of Rochester’s largest landlords regarding an alleged violation of the federal Fair Housing Act. The U.S. commenced the lawsuit in 2007, after Bouquet Builders, Inc., denied an apartment to a prospective tenant because she had an untrained assistance animal.

In this case, the United States alleged that the prospective tenant had been prescribed the use of the animal by her treating psychologist. The landlord, however, rejected her rental application based on the company’s no-pets policy, even after being made aware of her mental health condition.

Shortly therefore, the prospective tenant filed a complaint with the U.S. Department of Housing and Urban Development (“HUD”), contending the landlord’s action violated

sex, familial status, national origin, and “disability.” Following an investigation by HUD, the matter was referred to the U.S. Attorney’s Office for litigation.

discrimination case that involved an untrained assistance animal prescribed by a health care professional to ameliorate the effects of a person’s disability. Under the terms of the settlement, Bouquet Builders, Inc., which owns and operates Avalon Cove Town Homes, French Creek Town Homes, and Crystal Bay Town Homes, all of which are located in Rochester, agrees to, among other things—

- Pay the family \$82,500 in emotional distress damages;
- Adopt and implement policies that are in compliance with the Fair Housing Act; and
- Pay for government-approved training for all employees on the disability provisions of the Fair Housing Act.



the Fair Housing Act, which prohibits discrimination in housing based on race, color, religion,

This case marked the first time in Minnesota that the United States sued and settled a housing

Did You Know?

A study commissioned by HUD found that people with disabilities face discrimination in approximately one-half of their apartment rental inquiries. To report housing discrimination, call the tip line, at 1-800-896-7793, or HUD, at 1-800-669-9777.

Civil Division

Affirmative Civil Enforcement Case Highlights

Fighting Health Care Fraud

The prevention of health care fraud through the civil enforcement of the False Claims Act is a major priority of the U.S. Department of Justice. By litigating actions civilly pursuant to the False Claims Act, the United States is able to obtain treble damages and civil monetary penalties

Civil litigators not only seek treble damages and civil monetary penalties under the False Claims Act, they also obtain in health care fraud cases exclusion from the Medicare and Medicaid programs of health care providers who submit false claims to the government. In such cases, civil litigators can also seek corporate integrity agreements that impose stringent requirements, such as internal controls, outside audits, and policy changes that can be expensive to providers.

Health Care Fraud

Walgreens Pays \$9.9 Million to Settle Medicaid Fraud Claim

In 2008, the U.S. Attorney's Office announced a settlement in a whistle blower case filed against Walgreens after the country's largest drug retailer agreed to pay the United States \$9.9 million. The case, brought by the United States under the U.S. False Claims Act, alleged that the Illinois-based pharmacy chain submitted excessive reimbursement claims to the federal Medicaid program for prescription drugs provided to people covered by both Medicaid and private insurance.

In five states, Medicaid reimbursement in such situations is limited to the amount a customer would have to pay a drug retailer if Medicaid did not extend coverage. (The amount usually is the so-called "co-pay.") But, instead of billing for the co-pay alone, Walgreens, using proprietary software, billed Medicaid for the difference between what the private insurer paid for the drug and the amount Medicaid would have paid in the absence of private insurance. As a result, in four of the five states, Medicaid was over-billed millions of dollars. Those states included Michigan, Florida, and Massachusetts, in addition to Minnesota.

The investigation into this matter was initiated after two pharmacists at Walgreens filed a lawsuit against the company for its fraudulent Medicaid

billing practices. The "whistle blower" provision of the False Claims Act allows private parties the opportunity to bring an action for fraud on behalf of the United States. In doing so, the parties can collect a share of any proceeds recovered. In this case, the two pharmacists will split about \$1.5 million.

The False Claims Act is the primary tool used by the federal government to recover health care losses incurred due to fraud. At the end of Fiscal Year 2007, approximately 743 civil health care fraud investigations were pending at the federal level. During 2007, about \$266 million was

deposited into the Medicaid Trust Fund as a result of health care fraud litigation, settlements, and other actions.

Pursuant to the settlement in this case, Walgreens will also enter

into a corporate integrity agreement with the U.S. Department of Health and Human Services.

This case was handled jointly by the Civil Division in the U.S. Department of Justice and the U.S. Attorney's Office in the District of Minnesota, along with the Attorney General's Office in Michigan, Florida, and Massachusetts. Investigative assistance was provided by the Office of Inspector General for the U.S. Department of Health and Human Services.



Affirmative Civil Enforcement Case Highlights

Social Security Fraud

Wisconsin Man to Repay Social Security Funds



Civil litigators routinely file suit against people who defraud the Social Security program. In one such case in 2008, Gary Olson, age 58, of New Glarus, Wisconsin, agreed to repay the Social Security Administration \$66,750 in ill-gotten benefits. On May 22, 2008, in a federal courtroom in Minneapolis, a civil judgment detailing that agreement was entered against the Wisconsin resident.

The judgment was based on evidence that Olson had made false statements and representations to the Social Security Administration for the purpose of obtaining his deceased mother's Social Security widow benefits. According to the complaint filed by the U.S. Attorney's Office, Olson's mother received monthly benefits of \$760. The payments were automatically deposited into her savings account. Olson had access to the account so he could help her pay living expenses. In July of 2001, however, she died, but Olson failed to report the death to the Social Security Administration. Instead, he allowed the benefits to continue to be deposited into his late mother's account until September of 2007. Furthermore, he used those funds for personal gain.

**\$11 Million
In ACE Recoveries
During 2008**

In 2008, the United States Attorney's Affirmative Civil Enforcement ("ACE") Project recovered \$11,280,068 in monetary settlements from cases it commenced against corporations and individuals in a wide variety of matters involving violations of the False Claims Act.

In addition to the Olson and Walgreens cases, highlighted on these pages, the Office filed suits against farmers who attempted to defraud the U.S. Department of Agriculture's federal crop insurance program as well as a pharmaceutical company that manufactured controlled substances without a valid license from the Federal Drug Administration.

Beyond the financial settlements obtained in these cases, the Office reaped other non-monetary benefits, such as restoration of wetlands, corporate integrity agreements, and debarment from future government benefits.

Environmental Law Violations

Defendants to Restore Wetlands



In 2008, a Benton County landfill company and its owner, along with a Stevens County construction company, agreed to a federal court settlement that resolved claims against them for violating the U.S. Clean Water Act.

The complaint filed by the United States Attorney's Office alleged that Gerome G. Henkemeyer, Henkemeyer Landfill, Inc., and Riley Bros. Construction, Inc., discharged approximately 95,000 cubic yards of fill into 6.7 acres of wetlands in Watab Township, north of Sauk Rapids, during 2003. The complaint called the affected area seasonally flooded wetlands with a

hydrological connection to Mississippi River tributaries. Moreover, it cited a 1996 "after the fact" permit issued by the U.S. Army Corps of Engineers to Henkemeyer, stating that no future "filling, grading or excavation shall take place in the wetland area without prior approval from the Corps...." However, no such approval was obtained in 2003.

Under the terms of the settlement, the defendants agreed to restore the impacted wetlands at their own expense, provide mitigation for the temporary loss of wetland functions, and pay joint civil penalties totaling \$150,000.

Lead Paint Enforcement Project

U.S. Attorney’s Office Recognized for Efforts in Enforcing Lead-Based Paint Hazard Reduction Act



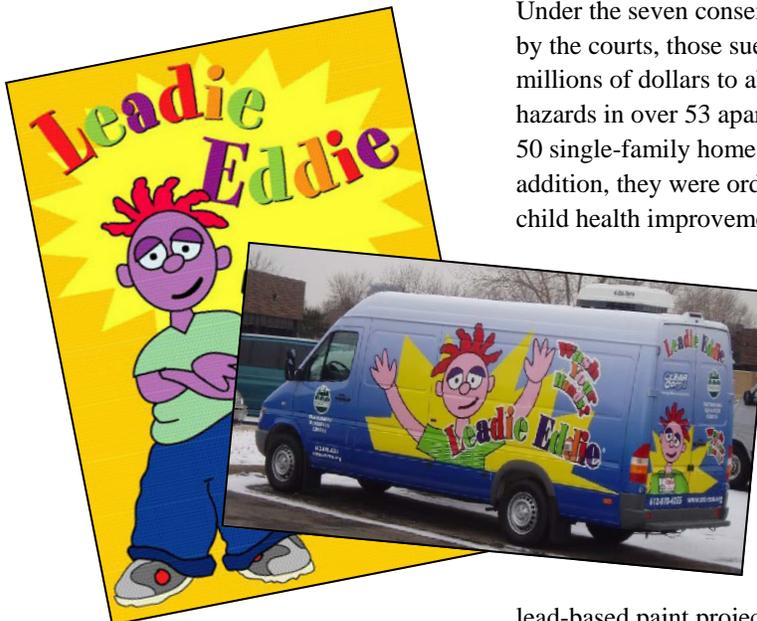
In 2008, the U.S. Attorney’s Office was recognized nationally for its work in enforcing the Residential Lead-Based Paint Hazard Reduction Act of 1992. The U.S. Department of Housing and Urban Development (“HUD”) bestowed a special recognition award on the Office for obtaining seven consent decrees in these cases.

Between 2004 and 2008, the United States Attorney’s Office successfully sued several landlords and property management companies for failing to warn tenants of potentially dangerous lead-based paint hazards in their rental units. The seven consent decrees cited by HUD were the result of a compliance review project conducted by the U.S. Attorney’s Office in conjunction with HUD and EPA. Through that project, the leases of

more than 40 rental property owners and management companies in Minneapolis were examined for compliance with the federal lead-based paint disclosure law.

Under the seven consent decrees issued by the courts, those sued agreed to pay millions of dollars to abate the lead-based hazards in over 53 apartment buildings and 50 single-family homes in Minneapolis. In addition, they were ordered to fund several child health improvement projects, including the purchase of a mobile blood testing “Leadie Eddie” van and window replacement in low-income housing.

In 2008, the U.S. Attorney’s Office also expanded its



lead-based paint project by starting a new initiative in St. Paul. There, the leases at low-income rental housing will be examined for compliance with federal lead-based paint disclosure laws. That project will continue well into 2009.

Did You Know?

Civil litigators in the U.S. Attorney’s Office for the District of Minnesota handle proceedings governing the civil commitment of mentally ill federal inmates. The lawyers in the Civil Division file petitions in federal court to treat mentally ill inmates who refuse treatment.

In 2008, the lawyers also litigated one of the first cases in the nation under a new federal statute that provides for the civil commitment of dangerous sexual predators following their criminal sentences. The case, which involved the mental commitment provisions of the Adam Walsh Child Protection and Safety Act of 2006, is currently before the Eighth Circuit Court of Appeal. On appeal, civil litigators are defending the constitutionality of the statute.

Immigration Suits

U.S. Attorney's Office Defends Government in Immigration Suit



In 2008, more than 50 people sued the U.S. for allegedly violating their Constitution rights during an immigration enforcement operation in Minnesota. The U.S. Attorney's Office, however, obtained dismissals of the claims on jurisdictional grounds. The claims, brought by the illegal immigrants at the center of the operation, along with their supporters, sought monetary damages and other relief.

In the operation, dubbed Operation Cross Check, Immigration and Customs Enforcement agents, assisted by the Kandiyohi County Sheriff's Office and police from Atwater and Willmar, arrested 49 illegal immigrants in Kandiyohi County. Claims against the local law enforcement agencies and officials were also dismissed.

Civil litigators in the U.S. Attorney's Office enforce the immigration laws of the United States in cases involving removal of illegal aliens, naturalization, and asylum. In 2008, these lawyers handled over 100 immigration cases in federal court and appellate court.

Environmental Suits

Defense of Government in Environment Suit Leads to National Training Initiative



In a 2008 lawsuit arising from a prescribed burn at a National Wildlife Reserve in western Minnesota, the U.S. Fish and Wildlife Service was sued by a neighbor of the Reserve.

The National Wildlife Reserve is home to tall grass prairies, a threatened ecosystem that depends on fire for propagation. In an effort to help those prairies survive, the Fish and

Wildlife Service set a controlled burn to rid the area of woody ground cover. However, the fire escaped the Reserve borders.

After the incident, a nearby resident filed suit against the government, arguing he had not received enough money for his sheds, which were destroyed in the blaze. The U.S. Attorney's Office immediately moved to dismiss the case, citing

sovereign immunity. Specifically, the Office claimed Congress had not waived the government's immunity for discretionary functions, such as managing environmental fires. The court agreed and dismissed the case.

That decision, along with the work of the expert hired by the Office in the matter, became the foundation of training now being offered to federal fire fighters across the country.

Civil Litigators Defend the U.S.

Assistant U.S. Attorneys in the Civil Division of the U.S. Attorney's Office in Minnesota represent the United States whenever it or one of its agencies is sued. These defensive matters include employment disputes, medical malpractice or other torts, Freedom of Information cases, and a host of other matters. In 2008, civil litigators successfully moved for dismissal and summary judgment in many of these cases.

Parallel Proceedings in the Petters Case

The Civil Division routinely works with the Criminal Division. Recently, in the Petters criminal fraud case, civil litigators and paralegals froze and seized assets, including business and personal bank accounts. In addition, they moved the court for appointment of a receiver to control and administer those assets pending criminal prosecution, so as to ensure assets are available for the victims, if appropriate.

Financial Litigation

The Financial Litigation Unit (“FLU”) obtains civil judgments against people who owe money to federal agencies while also collecting fines, restitution, and other monetary penalties imposed by the federal court in criminal cases. In Fiscal Year 2008, FLU collected over \$11.9 million in civil debts and more than \$3.5 million in criminal debts.

If a debtor is unable to pay a debt in full, the FLU staff collects the money by establishing a voluntary payment plan. If a voluntary payment plan is unsuccessful, federal statutes provide for collection through wage and bank garnishments, attachment of real and personal property (cars, boats, vacation homes, etc.), and seizure of federal tax refunds and other federal benefits. FLU can also file liens against

a debtor’s property. This collection tool becomes an incentive to pay the debt, especially when the debtor wants to refinance or sell real property.



Most recoveries are liquidated, and the money goes to restore specific victims, such as government agencies and people victimized through criminal financial schemes. However, fines and criminal penalties are deposited into the Crime Victim Fund, which can be accessed by

states and individuals, including the victims of violent crime, for various services.

Over the past several years, the U.S. Attorney’s Office has emphasized prejudgment collection activity in criminal cases. This effort has provided both the prosecutor and the FLU staff with a better understanding of a defendant’s holdings prior to entry of judgment. It also has provided the sentencing judge and the U.S. Probation Office staff with information from which to fashion appropriate restitution orders. In 2008, the FLU’s prejudgment efforts uncovered hundreds of thousands of dollars in real and personal property belonging to defendants charged with embezzlement and fraud. That property was then made available for both victim restitution and asset forfeiture.

Asset Forfeiture

In civil and criminal cases, the Asset Forfeiture Unit seeks forfeiture of property associated with criminal conduct, either because the property was used to facilitate a crime or it represents proceeds obtained from participation in the crime. Asset forfeiture laws are designed to remove the financial motive for crime.

Once assets are seized and liquidated, forfeiture proceeds are shared with local and state law enforcement agencies, which use the funds to further law enforcement goals. In Fiscal Year 2008, approximately 88 separate assets were judicially forfeited in

47 actions (nine civil and 38 criminal). Those actions resulted in the collection of \$2,959,212. Of that amount, about \$707,859 was shared with 20 separate state and local law enforcement agencies through the Equitable Sharing Program.

During Fiscal Year 2008, United States Attorney asset forfeiture programs across the country yielded a total of approximately \$1,327,604,903. Of that amount, about \$402,357,121 was distributed to law enforcement partners at the state and local levels. With

that money, they were able to subsidize their crime prevention and law enforcement budgets.



External Relations Division

The External Relations Division, led by Jeanne F. Cooney, is responsible for community outreach, law enforcement support, victim and witness assistance, media relations, and special program and project oversight.

These responsibilities are met through the Division's efforts in the Weed and Seed initiative and law enforcement training as well as by publishing case-based press releases and a regular newsletter focused on law enforcement and crime prevention issues. Moreover, the members of the External Relations Division maintain the local, state, federal,



and tribal relationships necessary to ensure that federal crime victims and witnesses are provided appropriate and timely assistance. Finally, the Division manages or otherwise works on special projects, such as Project Safe Neighborhoods, Project Safe Childhood, and the fight against the trafficking of human beings.

Law Enforcement Officer of the Year

FBI Agent Honored for Work on Child Exploitation



On September 26, 2008, United States Attorney Frank Magill presented Special Agent Maureen Lese, of the FBI, with the U.S. Attorney's ninth annual Law Enforcement Recognition Award. In making the

presentation, Magill said, "Maureen was selected for this award because of her commitment to fighting the sexual exploitation of children. She works tirelessly in pursuit of those who exploit our children, and her ability to collaborate with our federal, state, and local partners is truly exceptional. Due to her dedication to the cause of justice, we have been able to get many child predators off our streets and off the Internet."

Lese began her career with the FBI in 1992. She has been predominately working child pornography cases, through the FBI's Innocent Images National Initiative ("IINI"), for more than seven years. She is regarded as the FBI's expert in IINI investigations in Minneapolis and has provided countless training sessions on the investigation of child pornography.

Lese was the primary investigator for two federal child exploitation cases that resulted in lengthy prison terms.

In the first case, Todd Hammond, of Cass County, was sentenced to 30 years in federal prison for producing child pornography. Hammond met his child victim through a community mentoring program. He used the Webcam on his computer to live-stream the sexual abuse of that child over the Internet.

The second case involved Lyle Paton, of St. Paul, who was sentenced to five concurrent life terms for producing child pornography. Paton enticed five minor boys to engage in sexually explicit conduct for the purpose of having that conduct photographed. In return, Paton gave the boys food, money, clothing, and toys.

Each year the United States Attorney's Office presents its Law Enforcement Recognition Award to a federal, state, local, or tribal law enforcement officer who has greatly contributed to federal prosecutions or multi-jurisdictional cooperation in law enforcement. Former recipients include Tim Trebil, Minneapolis Police Department and DEA Task Force; Jim Mazzon, ATF; Grant Beise, FBI; David Kukura and Michael Dudley, FBI; John Boulger, BCA; Tom Billings, BCA; Tom Dunaski, St. Paul Police Department and FBI Task Force; and Troy Greene and Kevin Moore of the St. Paul Police Department. The Law Enforcement Recognition Award is just one way the staff of the U.S. Attorney's Office can say thank you to the skilled and dedicated men and women who assist the Office in carrying out its mission.

Training

U.S. Attorney's Office Co-Hosts Human Trafficking Conference

In September 2008, the United States Attorney's Office, along with the Gerald D. Vick Human Trafficking Task Force and the St. Paul Police Department, sponsored a major human trafficking conference, which was held in St. Paul.

The event focused on recognizing the crime of human trafficking and developing an effective plan to combat it. Subjects discussed at the well-attended conference included (1) defining the crime of human trafficking in both the labor and sex-trade arenas; (2) identifying victims, and (3) collaborating with law enforcement and social service entities to obtain appropriate victim assistance and tough prosecution of perpetrators. Over the two-day



event, attendees learned how multi-agency human trafficking task forces operate as well as how effective investigations are conducted. To achieve their teaching goals, conference presenters drew material from an array of case studies. Moreover, they reviewed

the report on human trafficking recently published by the Minnesota Advocates for Human Rights.

Keynote speakers at the conference included Mark Kappelhoff, from the U.S. Department of Justice in Washington, D.C., and U.S. District Court Judge John R. Tunheim. Special guests included several victims of labor trafficking, who shared their stories of abuse, rescue, and recovery.

During 2008, the U.S. Attorney's Office also co-sponsored several other training initiatives, including the annual Great Lakes Indian Country Conference and law enforcement training on the Red Lake Indian Reservation.

Public Relations

For the past 14 years, the U.S. Attorney's Office in Minnesota has published The EAGLE, a newsletter that provides federal, state, and local law enforcement officials with crime information from a federal perspective. The EAGLE, which is one of the first newsletters ever published by a U.S. Attorney's Office, has focused on a variety of subjects, from the 1994 Federal Crime Bill to current federal drug and gun laws that may aid in dismantling violent street gangs.

During the past year, the U.S. Attorney's Office also has issued more than 360 press releases regarding the criminal and civil cases in which the Office has represented the United States. Those news releases have been augmented by interviews and press conferences.

These tools have been employed to provide law enforcement partners and the public with an ongoing look at the work of the U.S. Attorney's Office.

Outreach

In 2008, the victim-witness staff at the U.S. Attorney's Office dealt with 1,049 federal crime victims, notifying them of court dates, sentences, and services. Most of those victims lost money—in some cases, their entire life savings—due to white-collar scams. However, 15 of those victims were children who had been subjected to sexual abuse or exploitation, and their losses cannot be measured.

During 2008, the External Relations Division also worked with community groups through the Weed and Seed program to address crime and livability issues in selected neighborhoods. As a result, the Phillips site in Minneapolis graduated from the program, and the District's sole remaining site, Minneapolis Central, is preparing to graduate. Minnesota once was home to 11 active Weed and Seed sites. One of those early sites, Railroad Island in St. Paul, was the first Weed and Seed site in the nation to "graduate" or achieve the program's goal of identifying and solving neighborhood problems.

Administrative Division

The Administrative Division, led by Mary Nelson, is responsible for planning and executing a comprehensive range of services, such as information technology and computer support, litigative support and administrative assistance, office budgeting and procurement, human resources and personnel assistance, and facility management.

Whether they are recruiting or hiring the workforce, providing salary and benefit information, procuring equipment, or helping attorneys prepare for trial, the people in the Administrative Division always strive

to reach their goal of prompt and effective service in support of the mission and the employees of the United States Attorney's Office for the District of Minnesota.

The U.S. Attorney's Office



An Historical Overview

The position of United States Attorney dates back to 1789, when Congress passed the Judiciary Act, directing the President of the United States to appoint an attorney to represent the interests of the United States in court, both criminally and civilly, in each of the country's 94 judicial districts. Congress established Minnesota as a judicial district in 1849, and Henry Moss was immediately named its first U.S. Attorney.

Early on, U.S. Attorneys represented the U.S. while maintaining private law practices. If they needed assistance from other lawyers, they paid for it out of their own pockets. At first, U.S. Attorneys only litigated offenses mentioned specifically in the Constitution; namely, piracy, treason, crimes at sea, fraud against the Bank of the United States, and crimes involving federal offices or interference with federal

justice. During the 1920's, the prosecutorial duties of the U.S. Attorney was extended to include bootlegging, Antitrust, and organized crime.

Today, United States Attorneys are responsible for litigating a variety of offenses, from terrorism and illegal drugs to civil rights violations and environmental crimes. Each U.S. Attorney also is the primary law enforcement official on all federal

jurisdiction Indian reservations within his or her district. As such, the United States Attorney is responsible for prosecuting all felonies on those reservations, including assault, murder, and child abuse. In the state of Minnesota, there are two federal jurisdiction Indian reservations: Red Lake and Boise Forte (Nett Lake).

The Office Today



The headquarters for the U.S. Attorney's Office in the District of Minnesota is located in the federal courthouse in downtown Minneapolis, and a branch office is maintained in St. Paul. The U.S.

Attorney's Office is comprised of a U.S. Attorney, a First Assistant U.S. Attorney, a Criminal Division, a

Civil Division, an External Relations Division, and an Administrative Division. The Office staffs about 50 lawyers and 55 administrative and clerical employees and other support specialists.

The boundaries of the District of Minnesota co-exist with the boundaries of the State of Minnesota. The District and State are made up of 87 counties, covering 84,397 square miles. Approximately five million people call Minnesota home, and almost half of them live in the Minneapolis-St. Paul metropolitan area. In addition, Minnesota has 11 Indian reservations, two of which are federal jurisdiction reservations.

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